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House of Representatives

The House met at 10 a.m.

Rabbi Dr. Ari Korenblit, Temple Sholom, Brooklyn, New York, offered the following prayer:

God, bless America.

We thank You, God, for our country which has nurtured the hopes and dreams of people throughout the world.

For our country which is the most charitable Nation that has ever existed, sharing its bounty and talents with all.

For our country which has provided welcoming portals of refuge, sanctuary and opportunity, both material and spiritual.

For our country which has been enriched by the prayers and talents from the early pilgrims to our recent citizens.

In these troubled times, let us especially remember the early pilgrims who came to these shores with their faith, dreams and hope in God. This is the secret of our endurance, prosperity and success.

God, inspire the Members of this great Chamber and all our leaders with courage to champion our divine moral code and with the strength to uphold those freedoms we hold dear. Bless and protect our soldiers who defend those principles throughout the world. May we forever be one Nation under God and continue our sacred duty to be the conscience of the world.

Please, God, fill our hearts with thanksgiving every moment.

THE JOURNAL

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

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

NOTICE

If the 108th Congress, 1st Session, adjourns sine die on or before November 21, 2003, a final issue of the Congressional Record for the 108th Congress, 1st Session, will be published on Monday, December 15, 2003, in order to permit Members to revise and extend their remarks.

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By order of the Joint Committee on Printing.

ROBERT W. NEY, *Chairman.*

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PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Florida (Mr. FOLEY) come forward and lead the House in the Pledge of Allegiance.

Mr. FOLEY led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 23. An act to amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks.

H.R. 2744. An act to designate the facility of the United States Postal Service located at 514 17th Street in Moline, Illinois, as the ''David Bybee Post Office Building''.

H.R. 3175. An act to designate the facility of the United States Postal Service located at 2650 Cleveland Avenue, NW in Canton, Ohio, as the ''Richard D. Watkins Post Office Building''.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 3210 East 10th Street in Bloomington, Indiana, as the ''Francis X. McCloskey Post Office Building''.

The message also announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2765. An act 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.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2765) ''An Act 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,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DEWINE, Mrs. HUTCHISON, Mr. BROWNBACK, Mr. STEVENS, Ms. LANDRIEU, Mr. DURBIN, and Mr. INOUYE, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2861. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2004, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2861) ''An Act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2004, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BOND, Mr. BURNS, Mr. SHELBY, Mr. CRAIG, Mr. DOMENICI, Mr. DEWINE, Mrs. HUTCHISON, Mr. STEVENS, Ms. MIKULSKI, Mr. LEAHY, Mr. HARKIN, Mr. BYRD, Mr. JOHNSON, Mr. REID, and Mr. INOUYE, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 189. An act to authorize appropriations for nanoscience, nano-engineering, and nanotechnology research, and for other purposes.

The message also announced that the Senate agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2754) ''An Act making appropriations for energy and water development for the fiscal year ending September 30, 2004, and for other purposes.''

WELCOMING RABBI DR. ARI KORENBLIT

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

Mr. WEINER. Mr. Speaker, on behalf of the House of Representatives, it is my pleasure to welcome Rabbi Korenblit and thank him for delivering this morning's prayer.

Rabbi Korenblit's eloquence this morning was no surprise to those of us in Brooklyn who have come to know him as one of the community's most prominent moral leaders. Since 1997, he has been the Rabbi at Temple Sholom in Southern Brooklyn, after having served congregations in New Jersey and Manhattan.

Rabbi Korenblit was ordained at Meor Hatorah Rabbinical College and received advanced rabbinical training at Torah Vodaath Rabbinical Institute, Boston Kolel and Gur Aryeh Institute for Advanced Rabbinical Studies.

What has most distinguished the Rabbi's career is his commitment to children, which is matched only by his commitment to his faith. He is not only the Rabbi at Temple Sholom, but he is the principal of the Schwartz Religious School at the Temple. And he spent many years as not only a principal but as a school teacher, camp director and youth group director. He has also written and lectured extensively on educational issues, with a focus on child rearing matters. Untold numbers of young people in our community have grown up to lead healthy spiritual lives because of the influence of Rabbi Korenblit, and I can think of no greater contribution one can make to his community.

I am not only pleased to congratulate Rabbi Korenblit on the honor of being chosen to deliver this morning's prayer, but I wanted to congratulate his shul, Temple Sholom, on their 50th anniversary. For more than a generation, Temple Sholom has served the religious and social needs of the Mill Basin and Bergen Beach communities, and I wish them many more decades of continued vitality.

In closing, it is also my pleasure to welcome this day the Rabbi's wife, Daniela Reik, who is with us today, his three daughters, Haviva, Eliora, Emuna, and his mother-in-law, Mignon.

Thank you very much, Rabbi.

SUPPORT THE MEDICARE MODERNIZATION BILL

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

Mr. FOLEY. Mr. Speaker, what should be a celebratory week for America's seniors is turning into a partisan fight. In memory of my grandmother, I come to the floor today urging my colleagues to come together on this important change in Medicare to provide prescription drugs for the first time in our Nation's history for our seniors.

Let me ask our colleagues on the other side of the aisle, in the memory of Claude Pepper, Franklin Roosevelt and others who cared so deeply for seniors, to put aside your partisan differences and walk with us in improving the most important fundamental health care program for seniors in our Nation's history. Discount drug cards, lower prices for prescription drugs, availability for new technology to help those who are ailing, preventive health care, diagnostic screening for cardiovascular disease and diabetes. This is a tremendously important bill for our Nation's seniors. Let us not fight about it. Let us move forward.

AARP supports this bill. Yet the Democratic leadership is urging Members that if they vote for it, they should leave the caucus. One Member from California is actually resigning from AARP because she is so upset with their endorsement of the bill. AARP has long been known as the gold standard for keeping and caring for America's seniors. Let us not put their vision outside this building. Let us bring it in. Let us debate this bill but in behalf of millions of American seniors, let us pass this important landmark legislation this week before we go home.

ESTABLISHING ARABIA MOUNTAIN NATIONAL HERITAGE AREA

(Ms. MAJETTE asked and was given permission to address the House for 1 minute.)

Ms. MAJETTE. Mr. Speaker, yesterday the House of Representatives unanimously passed H.R. 280, which includes H.R. 1618, establishing the Arabia Mountain National Heritage Area. I thank the Committee on Resources and each of the cosponsors from Georgia for their hard work in passing this bill. This has been truly a bipartisan effort, with five Democrats and five Republican cosponsors. I would like to particularly thank the gentleman from Georgia (Mr. LINDER) for his leadership.

The Arabia Mountain legislation will protect the natural, cultural and historical resources of Georgia's granite outcroppings and will preserve the wonders that Arabia Mountain has to offer. The heritage area is a living history lesson, illustrating 7,000 years of human interaction with a unique landscape. Despite its proximity to Atlanta, it includes Panola Mountain, which is pristine land untouched by development, unique granite outcroppings that are more than 400 million years old, and endangered mosses and lichens that top Arabia Mountain itself.

Beyond the natural beauty is a rich cultural history that began when Native Americans quarried these soapstone and granite outcroppings more than 5,000 years ago. By connecting the heritage area's natural, cultural and historical resources through rivers, greenways and parks, this region will rapidly become a popular recreation area for Georgians and all Americans.

I thank my colleagues for recognizing the importance of the Arabia Mountain National Heritage Area and for passing H.R. 280.

AMERICAN DIABETES MONTH

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

Mr. WILSON of South Carolina. Mr. Speaker, November is American Diabetes Month, and it is important that communities throughout our Nation participate in spreading awareness of the facts about the disease. Diabetes is a very serious health problem in America, as two out of three people who suffer from diabetes will die of heart disease or stroke. Diabetes also leads to other complications, including blindness, high blood pressure, kidney disease, nervous system disease, amputations, dental disease, problems in pregnancy and other health risks.

This touches almost every family in every part of America. According to the American Diabetes Association, 13 million people have been diagnosed with the disease and an additional 5.2 million have been estimated to be unaware that they are living with the disease. As for my home State of South Carolina, we have the second highest rate of diabetes in the Nation. Also alarming is that 90 to 95 percent of diabetes cases are developed later in life, but Americans can reduce their risk by eating properly and maintaining regular exercise.

I urge everyone to get the facts about diabetes during November, American Diabetes Month. In conclusion, God bless our troops.

VOTE AGAINST MEDICARE MODERNIZATION BILL

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Mr. Speaker, we have before us not a simple prescription drug benefit for seniors which they need and which is long overdue, not just a complicated, convoluted, expensive and inadequate benefit for seniors, it is the pharmaceutical promotion and profits protection act. It prohibits any mandated, or even negotiated reductions in the extortionate price of pharmaceuticals. Yes, it would outlaw the Federal Government negotiating for price reductions on behalf of Medicare beneficiaries. It will block seniors who are seeking to import less expensive U.S. manufactured drugs from Canada. It provides a $20 billion subsidy to the private insurance industry to undermine Medicare. It is a cruel hoax targeted on the most vulnerable among us. It is not, as the gentleman from Florida said, bipartisan.

I knew Claude Pepper. I served with Claude Pepper. And FDR, I did not know him, but I know that he passed Social Security without a single Republican vote. And LBJ passed Medicare without support on that side. Now suddenly in defense of the pharmaceutical industry and the private insurance industry, they want to attack Medicare but pretend they are doing this for the good of seniors.

AT&T WIRELESS ANNOUNCES LAYOFFS

(Mr. EMANUEL asked and was given permission to address the House for 1 minute.)

Mr. EMANUEL. Today in the Wall Street Journal, AT&T Wireless announced that they are going to lay off nearly 10 percent of their workforce, 3,000 employees, and outsource hundreds of other jobs to India. These 3,000 employees will be added to the 9 million Americans who already cannot find work and the 2 million Americans who are defined as long-term unemployed Americans. This economy, although growing, is stalled. As Goldman Sachs recently described, it is not a jobless economy, it is a job-loss recovery. As we have reached record consumer debt and bankruptcy, long-term record unemployment, adding additional employees today by the announcement of AT&T Wireless to lay off 3,000 employees, this economy is not working for middle-class Americans.

There are some in this Chamber who like to spike the ball on the 40-yard line and declare the mission accomplished as it relates to the economy. This economy is not working for middle-class families who find health care costs skyrocketing out of control, college costs skyrocketing out of control, their job in a tenuous position, and their bankruptcy and consumer debt rising faster than they can meet the demands of their family.

Mr. Speaker, I rise and ask that Members of this Chamber focus on the needs of middle-class families and get the economy moving by producing jobs.

WAR IN IRAQ COUNTERPRODUCTIVE TO WINNING WAR ON TERROR

(Mr. KUCINICH asked and was given permission to address the House for 1 minute.)

Mr. KUCINICH. Mr. Speaker, the war in Iraq has proven to be counterproductive to our goals in winning the war on terror. It has produced an increase in anti-American sentiment all over the world, an increased presence of al Qaeda inside Iraq, and a greater instability in the region. Every day that we are inside Iraq, the situation gets progressively worse as evidenced by the frequent and more sophisticated attacks on our troops. As a result of the escalating terrorist attacks upon our troops, more Americans have died after the end of combat was announced on May 1. The U.S. occupation of Iraq is counterproductive as it is a contributing cause for instability. We simply cannot help the people of Iraq by continuing this occupation, nor can we tolerate talk of a draft to sustain an occupation.

That is why we need to get the U.S. out and the United Nations in.

MEDICARE MARKET BASKET UPDATE FOR HOSPITALS

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

Mr. GINGREY. Mr. Speaker, I rise today in support of the market basket update to hospitals provided for in the House-Senate Medicare agreement. This legislation will supply a full update for hospitals that submit data for a set of 10 quality indicators.

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Those hospitals that do not submit data would receive updates of 0.4 percent less than the market basket level.

It is imperative that our hospitals and especially, Mr. Speaker, our rural hospitals receive this full update in order to ensure that they maintain the ability to provide needed goods and services.

I stressed the importance of this issue by offering a letter to the Medicare conferees urging them to reject the proposed market basket reduction to hospitals and ensure that the final Medicare legislation delivers unfettered improvements for rural health

care and a full market basket update for hospitals. Over 120 of my colleagues joined me in that effort.

I urge my colleagues to continue to back this provision in the final version of the bill and show support for our hospitals by its passage.

IN SUPPORT OF H.R. 253

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute.)

Mr. BLUMENAUER. Mr. Speaker, today on the suspension calendar H.R. 253, the Two Floods bill, is an opportunity to reauthorize and reform America's flood insurance program. It is a great opportunity to build on the legacy of the late Hale Boggs from Louisiana who helped create the program because he understood how important it was to a State like his.

The bill passed out of the Committee on Financial Services with a unanimous vote, broad support from bankers, realtors, environmentalists. With the help of the gentleman from Louisiana (Mr. BAKER), we assure that the special needs of flood-prone areas are met, that we help people move their homes out of harm's way, that there is more assistance for the States with the biggest problems, and it will reduce the premium pressure, saving money for 4½ million policyholders. Last, but by no means least, these reforms will ultimately mean significant savings in disaster relief costs for the Federal Government.

One percent of the property should not require 25 percent of the loss costs for the entire country. This Bill is a win-win for the economy, for people moved out of harm's way, and for the environment. I urge my colleagues to carefully consider it as it comes forward later today.

PRESIDENT BUSH'S TRIP TO GREAT BRITAIN

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

Mr. MCDERMOTT. Mr. Speaker, King George II's return to Great Britain reminds me of the return of Richard the Lionheart from the Crusades. The President is coming back to England. He says he is going to meet with the families of the bereaved from 9/11. Apparently, he does not know that 400 people have died in the United States in their service in Iraq. He has never seen fit to meet with them.

In less than 1 year, we have lost more people in Iraq than we lost in 3 years in the Vietnam War. But the President has a secret plan he is now revealing. His secret plan is that he is going to declare victory and have the troops out by June 1.

Mr. Speaker, this President is leading us over the cliff with no respect for the people that he has put in harm's way. He ought to come up to Walter Reed and visit the wounded and then go out and visit some of the families that have lost people in Iraq. To do less than that is to ignore the sacrifice they have made.

MEDICARE: INDIGENT CARE

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

Mr. PEARCE. Mr. Speaker, I rise this morning to encourage my colleagues to support H.R. 1.

One of the important provisions in this bill is reimbursement for States and counties that are required to treat illegal immigrants through the Emergency Medical Treatment and Labor Act. This unfunded mandate is breaking the hospitals in my district.

As a border State, we constantly incur costs on our counties that are mandated by the Federal Government but never reimbursed. By Federal law, hospitals must treat any person, regardless of citizenship, in need of medical attention. If the person is a United States citizen, Medicare or Medicaid pays for the treatment, but there is no reimbursement for illegal immigrants. Border hospitals are caving under these costs of providing care daily for illegal immigrants who have no insurance and no ability to pay.

For example, Luna County in my district is often expected to pay for Mexican citizens to be picked up at the border, taken to a hospital and treated, and then returned to the border. Taxpayers are footing the bill for indigent care. This provision ensures that counties and States will receive the money in return for the services the Federal Government requires them to provide.

MEDICARE PRESCRIPTION DRUG BENEFIT

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, over the next couple of days, in a very rushed and possibly confused effort, this body will bring to the floor a Medicare bill. When we talk to our seniors across the Nation, they believe that this is in response to their desire to have a real, guaranteed Medicare prescription drug benefit. But, Mr. Speaker, what has happened was a closed-door conference with no participation of Democrats, and I want to be convinced that we have something that will help all of our seniors. We have got privatization of Medicare, vouchers for Medicare, big money for pharmaceutical companies, and no guaranteed prescription drug benefit.

President Johnson went out on a limb in 1965 with hardly any Republican support and gave a lifespan to our seniors that they could never imagine. Shame on this body. Shame on the other body if they take this opportunity to destroy Medicare as we know it and as it can be a better entity for all. Let us get to work as a bipartisan House, two Chambers, producing something that really means a vital lifeline to our seniors.

H.R. 1 CONFERENCE REPORT AND THE AARP

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise to express my profound disappointment with the squandered opportunity we have right now, an opportunity to provide our seniors with the prescription drug coverage they need and they deserve.

But I am just as concerned about the decision made by AARP, the American Association of Retired People, to endorse these misguided policies. I have long been proud of my membership in AARP, but now they have sold out seniors. Now I understand why AARP no longer stands for American Association of Retired People. Perhaps they would like to be known as the American Association of the Republican Party. They no longer represent retirees. They are more concerned about the interests of large drug companies.

I want no part of an organization that is willing to sacrifice its principles for short-term political gain or favors from the majority party, and neither do more than 65 of my colleagues. Today we will surrender our AARP membership, and I urge all of my colleagues who truly care about the needs of seniors to do the same.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHAW). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

EXPRESSING SENSE OF HOUSE REGARDING COURAGEOUS LEADERSHIP OF UNIFIED BUDDHIST CHURCH OF VIETNAM

Mr. LEACH. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 427) expressing the sense of the House of Representatives regarding the courageous leadership of the Unified Buddhist Church of Vietnam and the urgent need for religious freedom and related human rights in the Socialist Republic of Vietnam, as amended.

The Clerk read as follows:

H. RES. 427

Whereas Buddhism has a 2,000-year tradition in Vietnam and the Unified Buddhist

Church of Vietnam (UBCV) is an heir to this tradition;

Whereas the Government of Vietnam in 1981 declared the UBCV, one of the largest religious denominations in the country, illegal, confiscated its temples, and persecuted its clergy for refusing to join the state-sponsored Buddhist organizations;

Whereas the Government of Vietnam has often imprisoned UBCV clergy and subjected them to other forms of persecution; the Patriarch of the UBCV, the 85-year-old Most Venerable Thich Huyen Quang, has been detained and restrained for more than 2 decades in isolated areas of Vietnam;

Whereas the Vietnamese Government has held the Most Venerable Thich Quang Do, the Executive President of the UBCV and his deputy, the Venerable Thich Tue Sy, in various forms of detention since 1977;

Whereas the Very Venerable Thich Thien Minh, Supreme Counselor of the UBCV, was tortured to death in a reeducation camp in 1978;

Whereas many other leading UBCV figures, including Thich Thien Hanh, Thich Phuoc An, Thich Dong Tho, Thich Vien Dinh, Thich Thai Hoa, Thich Nguyen Ly, Thich Thanh Huyen, Thich Khong Tanh, Thich Phuoc Vien, Thich Hai Tang, Thich Dong Tho, Thich Nguyen Vuong, Thich Chi Mau, Thich Chi Thang, and Thich Thanh Quang have been detained, harassed, and under tight surveillance;

Whereas several members of the UBCV have fled to Cambodia to escape religious repression and harassment;

Whereas Pham Van Tuong, formerly known as Thich Tri Luc, disappeared from Cambodia in July 2002 after being given refugee status by the United Nations High Commissioner for Refugees (UNHCR), and has since been discovered to be in custody in Vietnam, where he is reportedly charged with the vague crime of ''fleeing abroad or defecting overseas with the intent to oppose the people's administration,'' which carries a possible sentence of life imprisonment;

Whereas Vietnam has acceded to international covenants and treaties that prohibit the forced repatriation of UNHCR-recognized refugees;

Whereas Vietnam has acceded to international covenants and treaties that protect the right to faith, belief, and practice;

Whereas Vietnam's constitution protects the right of religious belief;

Whereas in a show of religious tolerance, the Vietnamese Government in April 2003 allowed the Most Venerable Thich Huyen Quang, the Fourth Supreme Patriarch of the UBCV, to receive urgent medical care in Hanoi;

Whereas at that time, Vietnamese Prime Minister Phan Van Khai met with Venerable Thich Huyen Quang and assured him that his and Venerable Thich Quang Do's detention were mistakes by local officials and that he hoped they would extend Buddhist forgiveness toward past actions of the government;

Whereas in June 2003, the Vietnamese Government ended the detention order against Venerable Thich Quang Do, the Executive President of the UBCV;

Whereas in September and October 2003, the UBCV held a meeting in Nguyen Thieu Pagoda in Binh Dinh province to discuss church affairs, choose a new leadership which had been vacant for a decade, and verify Vietnamese Prime Minister Phan Van Khai's promise of a new era of understanding and respect;

Whereas Vietnamese authorities attempted to disrupt these gatherings by restricting the travel of monks from other provinces and then intimidating those attending;

Whereas on October 8, 2003, Vietnamese authorities initiated a tense standoff following the meeting, where police stopped a vehicle carrying the UBCV's new leadership and subsequently detained the eleven passengers;

Whereas Venerables Thich Huyen Quang and Thich Quang Do were taken to their respective pagodas where they have been effectively isolated and detained; four senior monks, the Venerable Thich Tue Sy, Thich Thanh Huyen, Thich Nguyen Ly, and the UBCV Supreme Patriarch's personal assistant, Venerable Thich Dong Tho, were immediately sentenced to 24 months of administrative detainment by written orders of the Ho Chi Minh City People's Committee, and three others, the Venerables Thich Thien Hanh, Thich Thai Hoa, and Thich Nguyen Vuong to 24 months administrative detainment by ''oral'' orders from various local authorities, in protest of which the Venerable Thich Thien Hanh initiated a hunger strike on October 19, 2003;

Whereas according to reports by the United States State Department, the United States Commission on International Religious Freedom, and the European Union, the Socialist Republic of Vietnam systematically limits the right of religious organizations to choose their own clergy;

Whereas according to these same reports, the Socialist Republic of Vietnam uses house arrest and long prison sentences to punish individuals for practicing their faith, as evidenced also by the jail sentences handed down to Father Nguyen Van Ly, his three relatives, Montagnard and Hmong Protestants, Cao Dai, and Hoa Hao Buddhists;

Whereas during the 107th Congress the House of Representatives passed H.R. 2833, the Vietnam Human Rights Act, on September 6, 2001, which noted the persecutions faced by various members of the UBCV over the past 25 years; and

Whereas because of systematic, egregious, and ongoing abuses of religious freedom, the United States Commission on International Religious Freedom recommended that the President of the United States designate Vietnam as a ''country of particular concern'' under the provisions of the International Religious Freedom Act of 1998: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates the new leadership of the Unified Buddhist Church of Vietnam;

(2) urges the Government of Vietnam to respect the right of all independent religious organizations to meet, worship, operate, and practice their faith in accordance with Vietnam's own constitution and international covenants to which Vietnam is a signatory;

(3) urges the Government of Vietnam to restore freedom to all Vietnamese citizens imprisoned or under house arrest for practicing their faith or for advocating freedom of religion, especially the Most Venerable Thich Huyen Quang and the Very Venerable Thich Quang Do;

(4) is committed to promoting religious freedom in Vietnam, and, in furtherance of this goal, urges the implementation of the recommendations of the United States Commission on International Religious Freedom; and

(5) urges the United States Embassy in Vietnam to closely monitor cases of abuse of religious belief and practice, routinely visit detained clergy members, especially those in need of medical care, and report to the Congress on specific measures taken to protect and promote religious freedom in Vietnam.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H. Res. 427 regarding the United Buddhist Church of Vietnam. This resolution congratulates the newly appointed leadership of this Buddhist Church and notes the persecutions faced by the church during the past 3 decades and urges the Government of the Socialist Republic of Vietnam to comply with its own constitutional and international pledges to protect rights of religious belief and practice.

According to the State Department, the Vietnamese government ''continues to maintain broad legal and policy restrictions on religious freedom and to ban and actively discourage participation in what it regards as illegal religious groups, including the Unified Buddhist Church of Vietnam.'' The most recent Country Reports on Human Rights Practices notes that religious and organizational activities by Buddhist monks associated with this church are illegal and that all of this Buddhist church's activities outside of private temple worship have been proscribed by the government.

The plight of the Unified Buddhist Church is perhaps most poignantly symbolized by the enforced isolation endured by some of its senior clerics over the past 2½ decades, notwithstanding their advanced age and sometimes frail health. Inspired by their examples of nonviolence and courage, we reaffirm our belief in the rights of all people to worship and to organize their religious communities according to the dictates of conscience, free from state coercion.

At the same time, it is important to note that H. Res. 427 is not merely critical of past transgressions. It is also aspirational. In addition to citing the Constitution of Vietnam, which formally protects religious freedom of belief, it notes certain extremely modest but welcome developments earlier this year.

This past spring the Vietnamese government allowed the Fourth Supreme Patriarch of the Buddhist Church to travel to Hanoi to seek urgent medical care and also ended the long-standing detention ordered against the Venerable Thich Quang Do. During that period the Vietnamese Prime Minister reportedly met with the Supreme Patriarch and made statements that some

hoped would presage an era of increased governmental openness towards the Unified Buddhist Church of Vietnam.

Unfortunately, those statements have not yet borne practical dividends, and just last month there were indications of a renewed crackdown in the Buddhist leadership, including the return of numerous senior clerics to effective detention. At a time when Vietnam is admittedly undergoing many transformations that are progressive, we urge the government of that nation to trust its citizens with the basic freedoms that they deserve.

I would like to thank the personnel of the United States Department of State and the U.S. Commission on International Religious Freedom who worked with our committee staff and with the gentlewoman from California (Ms. LORETTA SANCHEZ), the sponsor, to update and refine the language of the original resolution. The text before us is a thoughtful, accurate product that deserves the support of this body.

Mr. Speaker I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of this resolution.

□ 1030

Mr. Speaker, I first would like to commend my good friend and colleague, the gentlewoman from California (Ms. LORETTA SANCHEZ) for introducing this important and timely resolution. I would also like to thank the gentleman from Illinois (Chairman HYDE) for moving this legislation to the floor so expeditiously.

Mr. Speaker, the resolution before the House tackles a critically important human rights matter: the continued oppression of the United Buddhist Church of Vietnam and the lack of religious freedom in that country. For most of the last two millennia, Buddhism flourished in Vietnam. But in 1981, the United Buddhist Church of Vietnam was declared illegal, its temples were confiscated by the government, its clergy was persecuted because they refused to join State-sponsored Buddhist organizations.

Leading figures in the Buddhist Church have been jailed, detained in isolated areas, harassed, and kept under constant surveillance. The Vietnamese government has systematically prevented Buddhist monks from meeting and worshipping as they choose.

The Vietnamese government's campaign of repression against key religious figures and organizations has been strongly criticized by the United States Commission on International Religious Freedom, an organization which we will be soon commending this morning. Our President has designated Vietnam ''as a country of particular concern'' under the International Religious Freedom Act.

Mr. Speaker, this resolution urges the government of Vietnam to respect the right of all religious organizations to meet, to worship, to operate, and to practice their faith in accordance with Vietnam's own Constitution and international covenants to which Vietnam is a signatory. We cannot have truly normal relations with Vietnam until the Vietnamese government finally lives up to its obligations to protect religious freedom.

Mr. Speaker, I urge all of my colleagues to support this resolution.

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

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

Mr. LANTOS. In that case, Mr. Speaker, I am delighted to yield such time as she may consume to the gentlewoman from California (Ms. LORETTA SANCHEZ), the author of this resolution.

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I thank the gentleman from Iowa (Mr. LEACH) for bringing this to the floor, and I thank the gentleman from Illinois (Chairman HYDE).

Mr. Speaker, I represent the largest Vietnamese population outside of Vietnam in the world, in Orange County, California, so I have been following the relationship of the United States and Vietnam for the last 7 years that I have been in the Congress. I rise today to speak on behalf of House Resolution 427, a bipartisan resolution which highlights the courageous leadership of the Unified Buddhist Church of Vietnam, which is currently undergoing one of the harshest crackdowns in history, and the urgent need for religious freedom, and for basic human rights in the Socialist Republic of Vietnam.

This resolution, which I introduced with my colleagues, the gentleman from New Jersey (Mr. SMITH), the gentleman from Virginia (Mr. TOM DAVIS), the gentlewoman from California (Ms. LOFGREN), and the gentleman from California (Mr. ROYCE) is timely, important, and will do a great deal to advance the cause of religious freedom in Vietnam.

Now, many of my colleagues will say, well, LORETTA has opposed trade relations with Vietnam, or there has always been a difficult relationship with Vietnam, and the answer is yes, but that is in the past. This is about the current situation, and the current situation is about religious freedom, or the ability for the Vietnamese people to express their religious beliefs in the way that they want.

Let us remember that the United States was based in part on those people who came to this land to seek their way of respecting and praising their Lord. And, in the same way, that is a basic human right for all people of the world.

Despite the growing bilateral and economic relations that the United States has with Vietnam, the Vietnamese government has continued to blatantly disregard religious freedom in Vietnam. It is a basic right guaranteed by the Vietnamese constitution and enshrined in the United Nations Covenant on Civil and Political Rights, which Vietnam has both ratified and has pledged to uphold. According to the 2003 report of the United States Commission on International Religious Freedom, the Vietnamese government does not, does not fully support religious freedom. I would like to quote some of the statements from that report.

It says, ''The current approach of the U.S. Government to advance religious freedom in Vietnam has failed to yield concrete results. Key religious dissidents have been imprisoned. Others remain under house arrest. In addition, the government has intensified its crackdown on religious minorities in the western provinces and in the Central Highlands.''

The report goes on to state that ''Therefore, the Commission recommends that the United States Government intensify its leverage to hold the government of Vietnam to its international obligation to protect human rights, including that of religious freedom.''

This resolution does just that.

The latest incident, which occurred just this year, the one with the Unified Buddhist Church of Vietnam, the largest religious denomination in that country, was because they held a meeting to elect new leadership, discuss their future, and to verify that the Prime Minister of Vietnam had promised a new era of understanding and respect. In stark contrast to that promise of respect and understanding, the Vietnamese authorities disrupted that meeting, intimidated the people at that meeting, and ultimately arrested most of the leadership.

The Venerables Thich Huyen Quang and Thich Quang Do were taken into custody and remain in detainment. Now, one of them is 75 years old. I have met with him in Vietnam. He is not a menace to society. In fact, he was nominated by over 60 Members of Congress in the year 2000 for the Noble Peace Prize. He has about 2 decades worth of arrests from this current government.

These actions are unconscionable but, unfortunately, they are nothing new. The Vietnamese government has routinely used intimidation, harassment, and imprisonment to punish individuals who choose to practice their own faith.

I recently spoke with a high-ranking Vietnamese official regarding the crackdown on the church, and about religious freedom in Vietnam in general, and he said, of course Vietnam supports religious freedom, but he failed to deny that, in fact, they have imprisoned the leadership of the Unified Buddhist Church of Vietnam.

I was informed that if these leaders want to practice their faith, they are more than welcome to do so as members of the State-authorized Buddhist Church. Having the option of joining only one State-sponsored Buddhist

Church is a far cry, in my opinion, of religious freedom. And enduring decades of imprisonment for peacefully practicing one's faith is not religious freedom. Vietnam has a long way to go.

So, in closing, I urge my colleagues to support this resolution. Doing so will not only send a strong message to the Vietnamese government that its actions are not going unnoticed, but it will reinforce the human rights standards that we expect of Vietnam as we move forward in strengthening our bilateral relationship with them.

Mr. LEACH. Mr. Speaker, first I would like to thank the gentlewoman from California for her wonderful leadership on this initiative and also that of her colleague, the gentleman from California (Mr. LANTOS).

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. TOM DAVIS).

Mr. TOM DAVIS of Virginia. Mr. Speaker, let me just say it is a pleasure to follow my friend and colleague from California, and I have enjoyed working with her on these issues and the leadership she has given to the human rights issues in Vietnam.

I rise in support of H. Res. 427, a resolution to that congratulates the Unified Buddhist Church of Vietnam for its courageous leadership and calls for religious freedom and related human rights in Vietnam.

Mr. Speaker, Vietnam's constitution protects the rights of religious belief, and the Vietnamese government has acceded to a number of international treaties to protect the right to faith and practice. Buddhism has a 2,000 year history in Vietnam, and the Unified Buddhist Church of Vietnam is an important part of this tradition. Yet, in 1981, the Vietnamese government outlawed the UBCV, the Unified Buddhist Church of Vietnam, and has since detained and harassed many of its clergy members and subjected them to other forms of persecution.

Earlier this year, the Vietnamese Prime Minister met with the Venerable Thich Huyen Quang, the Supreme Patriarch of the Unified Church of Vietnam, and assured him that previous arrests were mistakes and that the government would respect and honor religious freedom. But despite these promises, the Vietnamese government arrested members this past September after they held a meeting to discuss church matters and elect new leadership.

The punishment by Vietnamese authorities of individuals who practice their religious faith or exert other basic human rights are not uncommon in Vietnam. In addition to the arrests of the Most Venerable Thich Quang Do and other members of the UBCV, the Vietnamese government has imprisoned father Nguyen Huu Le, Dr. Nguyen Dan Que, Father Van Ly and three of his relatives, and many other individuals for practicing their faiths and for promoting human rights in Vietnam.

As the United States continues to establish diplomatic and economic relationships with Vietnam, we have to remember that many of the most basic issues remain unresolved, including the lack of religious freedom and related human rights violations. House Resolution 427 sends a clear signal that we will not tolerate these violations.

Mr. Speaker, I commend the new leadership of the Unified Buddhist Church of Vietnam, and I urge my colleagues to vote in support of this bipartisan resolution.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 2 minutes to the gentlewoman from California (Ms. LOFGREN), a distinguished member of the California delegation.

(Ms. LOFGREN asked and was given permission to revise and extend her remarks.)

Ms. LOFGREN. I look forward to the day, Mr. Speaker, when we no longer need to introduce resolutions condemning the Vietnamese government for human rights violations.

Unfortunately, I see no sign of change in Vietnam. The Vietnamese government continues to systematically violate the human rights of its citizens through political, cultural, and religious oppression. In fact, it seems that things have gotten worse in recent years, despite our attempts to build Normal Trade Relations with Vietnam.

Just last month, the Unified Buddhist Church of Vietnam held two peaceful assemblies to discuss church affairs and elect new leadership following promises of a new era of ''respect and understanding for religious freedom'' by the Vietnamese Prime Minister. In stark contrast to this promise of ''respect and understanding,'' the Vietnamese Security Police intercepted the church leadership. After a tense 10-hour standoff, 11 monks were arrested and placed under administrative detention. The Buddhist Church's Patriarch, Thich Huyen Quang, 86 years old, and his deputy, Noble Peace Prize nominee Thich Quang do, 75 years old, are currently being held in total isolation.

According to the U.S. Commission on International Religious Freedom, this is pretty much the norm in Vietnam. They say ''key religious dissidents have been imprisoned, and others remain in detention or under house arrest.'' They have reports of 18 Buddhists in prison or under house arrest, and 20 UBCV in detention or reeducation camps.

My colleagues and I have repeatedly sent letters to the Vietnamese government asking them to release prisoners of conscience and to refrain from various forms of political, religious, and cultural oppression. The vast majority of these requests seem to fall on deaf ears, like our recent letter regarding the arrest of the 86-year-old Buddhist leader and his 75-year-old deputy. This is unacceptable.

So today I rise with my colleagues in very strong support of this resolution. We cannot sit idly by as the Vietnamese government continues to oppress its people while hiding behind the veil of free trade. As long as the people of Vietnam are oppressed, our government cannot relax, even if there are strategic military interests and a strong relationship with Vietnam. Our interests must include human rights and now is the time to act.

The whole world is watching and we will not cease until we see improvements in Vietnam.

Mr. LEACH. Mr. Speaker, I yield 3 minutes to our distinguished colleague, the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I rise in support as a cosponsor of this legislation. Of course, the focus here is to spotlight the Unified Buddhist Church of Vietnam and the treatment that it has been receiving at the hands of the government of North Vietnam, that Communist government that now, for over 20 years, for 20 years have been trying to suppress the Buddhist Church, and that church has simply been fighting to practice their religion peacefully.

□ 1045

The difficulties commenced in 1981 when the government declared the Buddhist Church, and this is the Unified Buddhist Church of Vietnam, they declared it illegal. They confiscated the temples of the Buddhist Church. They began persecuting the clergy if that clergy did not join up with Communist organizations, stated-sponsored Buddhist organizations.

When I visited Vietnam, I saw firsthand the Communist Party's harassment of those Vietnamese citizens who decided to peacefully set forth dissenting political views, dissenting religious views. I met with several of them who were under house arrest. In particular, the Venerable Thich Quang Do and the Venerable Le Quang Liem. The reason they were under house arrest was simply because they were protesting a rewrite of the holy books, of the Buddhist holy books, holy works. The Communist Party had attempted to slash 80 or 90 percent of those works, and instead resubstitute and rewrite a culture that goes back thousands and thousands of years. And, of course, the laity and the leadership of the church took great umbrage at this and simply asked that they be allowed to practice their religion.

Well, in June of this year when the Vietnamese government ended the detention order against Thich Quang Do, we were all quite hopeful. However, our hopes were quickly dashed when last month the Buddhist Church's meetings were disrupted and the travel of monks was restricted and, again, some were arrested.

Today we are here to say as the United States Congress that we are not satisfied with the state of human rights in Vietnam and that the United States has a strong interest in promoting respect for individual rights

around the world. The U.S. must be a strong advocate of human rights, particularly when basic freedoms are being wantonly abused as they are in Vietnam.

We must continue to shine a light on Vietnam. I urge the passage of this resolution. I thank the gentleman for yielding me time.

Mr. LANTOS. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of H. Res. 427, which recognizes the courageous leadership of the Unified Buddhist Church in Vietnam and stresses the urgent need for the government of the Republic of Vietnam to respect religious freedom and basic human rights. I thank the gentlewoman from California (Ms. LORETTA SANCHEZ) for offering it today.

Mr. Speaker, Vietnam's oppression of religious liberty, which is well documented in the State Department Reports on Human Rights and Religious Freedom, as well as by credible human rights organizations, continues to deteriorate. This is a regime with clear non-ambiguous policies designed to control and to repress religion. At its Seventh plenum in January 2003, the Communist Party's Central Committee stepped up its persecution of religious groups issuing a resolution which calls for the establishment of cells of Communist party members within each of Vietnam's six approved religions in order to foil ''hostile forces.''

Persecution of Buddhists highlighted in this resolution has been particularly harsh. Many leading clergy of the Unified Buddhist Church of Vietnam have been imprisoned including the church's Patriarch, the Most Venerable Thich Huyen Quang, who is now 85 years old and has been detained for the past 21 years.

The government has continually attempted to control the selection of new clergy for the Unified Buddhist Church, restricting the travel of and intimidating monks attending selection meetings. We know that other groups suffer severe religious persecution as well, including the Christian Montagnards in the Central Highlands, Catholics and members of indigenous Vietnamese religions.

One particular case, Mr. Speaker, that has been disturbing, one of many, is that of Father Ly, an outspoken critic of the regime who is currently serving a 10-year sentence for calling on the government for the return of confiscated church properties and respect for religious freedom. Amazingly, his nephews, Nguyen Vu Viet and Nguyen Truc Cuong, and his niece, Nguyen Thi Hoa, recently received prison sentences after a sham trial, after being found guilty of dubious charges of ''abusing democracy.''

Next week, Mr. Speaker, the Vietnamese government has the chance to set the record straight when their appeal will be heard. They should be released. They have to be released along with Father Ly. And I think this Congress, the House and the Senate, needs to be watching very carefully if our relationship is to progress. We have to see significant and sustained progress on these cases and, of course, those with regards to the Unified Buddhist Church.

Mr. Speaker, this Congress has not been lax in trying to raise these issues, as I know my good friend and colleague Mr. LEACH knows because he has worked so strongly in this area. ''I offered The Vietnam Human Rights Act'' as an amendment to the State Department bill, which is now pending before the House and Senate. Similar legislation has already passed the House before and hopefully the session, the Vietnam Human Rights Act will become law. This legislation sets up a number of criteria that would seek to move the ball forward with regard to human rights, and in particular, the area of religious freedom.

Again, it is a good resolution that has been offered today and it deserves the honest support of this body.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for his profound statement and for his leadership on so many human rights issues as well as the gentleman from California (Mr. LANTOS).

Mr. Speaker, I would only conclude with the observation that there are very important abstract principles at issue here but they are made concrete by references to individuals which the gentleman from New Jersey (Mr. SMITH) has just done. Individuals matter because it is with the individual that the picture at large can be revealed. So we care about the individuals in this particular instance as well as the principle of the freedom of religion.

Mr. PAUL. Mr. Speaker, I am opposed to this ill-conceived and ill-timed bill. I would like to remind my colleagues that according to our own Constitution, Congress is prohibited from making any law ''respecting the establishment of religion or the free exercise thereof.'' Yet are we not doing that today—albeit in a country some 10,000 miles away? Why on earth are we commending one particular church in Vietnam in the name of ''religious freedom''? At the risk of being blunt, what business is the Unified Buddhist Church of Vietnam of the United States Congress? The answer, of course, is that this legislation is of a much more political than a religious nature: this bill tells the Vietnamese government how it should enforce its own constitution, commits the United States government to promoting religious freedom in Vietnam, and tells the U.S. embassy staff in Vietnam to ''closely monitor'' religious issues in Vietnam. It is an attempt to meddle in the affairs of Vietnam and force them to adopt the kinds of laws we think they should have. Mr. Speaker, as much as we value our own religious liberty, we must realize that setting the example of the benefits of a society that values such liberty is much more effective than demanding that other countries pass the kinds of laws we want them to pass. The unintended consequences of this otherwise well-meaning legislation is that relations with the Vietnamese government will likely suffer, making it less likely that Vietnam's leaders look favorably upon our own history of religious liberty.

Mr. LEACH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the resolution, H. Res. 427, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

HONORING VICTIMS OF CAMBODIAN GENOCIDE THAT TOOK PLACE FROM APRIL 1975 TO JANUARY 1979

Mr. LEACH. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 83) honoring the victims of the Cambodian genocide that took place from April 1975 to January 1979.

The Clerk read as follows:

H. CON. RES. 83

Whereas beginning in April 1975 and ending in January 1979 at least 1,700,000 to 3,000,000 people were deliberately and systematically killed in Cambodia in one of the worst human tragedies of the modern era;

Whereas in 1975, Pol Pot led the Communist guerilla group, the Khmer Rouge, in a large-scale insurgency in Cambodia that resulted in the removal of Cambodians from their homes and into labor camps in an attempt to restructure Khmer society;

Whereas traditional Khmer culture and society were systematically destroyed, including the destruction of temples, schools, hospitals, and other buildings;

Whereas families were separated in an attempt by the Khmer Rouge to prevent family formation, many individuals were punished or killed for education, wealth, or sophistication, and doctors, nurses, clergy, teachers, business owners, artisans, city dwellers, and even those individuals who wore glasses were singled out for execution since they were seen as bourgeois or contaminated with Western influence;

Whereas the Khmer Rouge maintained control by mass public torture, executions, and dismantling of the social order;

Whereas men, women, and children were sent to labor camps and forced to do strenuous farm work and famine and disease became epidemic while medicine and medical care were non-existent;

Whereas after the Khmer Rouge regime was overthrown in 1979 thousands of Cambodians fled on foot to refugee camps in

Thailand and many refugees were processed again in other camps in the Philippines and Indonesia;

Whereas from these refugee camps approximately 145,149 Cambodians made their way to the United States between 1975 and 1999, with the majority of Cambodians arriving in the early 1980s;

Whereas these Cambodians were subsequently resettled in communities across the United States;

Whereas according to United States Bureau of the Census figures for 2000, there are approximately 206,053 Cambodians currently living in the United States;

Whereas despite their tremendous loss, Cambodians and Cambodian-Americans have shown courage and resiliency;

Whereas the memory of those Cambodians who were killed during the Cambodian genocide must never be forgotten and the survivors of the Cambodian genocide should be honored;

Whereas the resettlement of Cambodians reflected the hard work of voluntary agencies through funding by the Federal government, individual citizens, and Federal, State, and local governmental agencies, all working together to assist the new arrivals in adjusting to American society;

Whereas Cambodian refugees have done much to further successful resettlement in the United States, including through mutual assistance associations organized by previously resettled Southeast Asian refugees to help new refugees through the provision of essential social, psychological, cultural, educational, and economic services; and

Whereas while remembering and honoring both their traditional culture and their traumatic past, the new generation of Cambodian Americans is contributing to American society in meaningful ways: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) honors the victims of the genocide in Cambodia that took place beginning in April 1975 and ending in January 1979; and

(2) is committed to pursue justice for the victims of the Cambodian genocide.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 83.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Con. Res. 83, honoring the victims of the Cambodian genocide. It is difficult to gain a full perspective on historic events, particularly those that are most inhumane, such as genocide. Tragically, the 20th century, which was marked by advances in medicine and nutrition that raise the prospect of nearly doubling the life span of countless people around the globe, also was marked by explosions of hatred that mercilessly ended life for millions of others. The killing of so many Cambodians under the Khmer Rouge in the 1970s stands among the worst of those atrocities.

In the field of law, there exists the precept of a statute of limitations. But for genocide, mankind's greatest crime, such a precept cannot be bound merely by time. There also must be accountability. While justice and time are interwoven, the preeminent principle is justice. To the extent that accountability today is inadequate, accountability tomorrow must follow.

For some, justice for the Cambodian genocide seems a frail prospect, given that almost a generation has passed in that country. Indeed, it does not lie within our power to construct perfect justice for that, or any other, genocide. But as time goes on and mortality places more of the perpetrators beyond our reckoning, the most important accountability is not necessarily monetary, penal or retributive. The march of time underscores the importance of memory. Victims must be remembered and civilized peoples of the world must commit themselves to ensuring that such horrific circumstances are not repeated within human history.

It is in this context that this resolution assumes its proper importance. I would like to commend the gentlewoman from California (Ms. MILLENDER-MCDONALD) for her efforts in introducing H. Con. Res. 83, which honors the victims of the Cambodian genocide, gives voice to our desire for justice, and notes the contributions of Cambodian Americans to our own society.

To some, this resolution may seem unimportant because it principally marks an instance of symbolism. I disagree and believe that its power derives precisely from its symbolism. This resolution deserves our unanimous support.

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

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution. Mr. Speaker, first I would like to commend my dear friend and wonderful neighbor, the gentlewoman from California (Ms. MILLENDER-MCDONALD) for introducing this important resolution. The gentlewoman has shown enormous leadership on behalf of Cambodian Americans and her work is greatly appreciated by all of us.

The resolution calls attention to one of the most horrendous chapters in contemporary world history. The Cambodian genocide which unfolded from April 1975 to January 1979. Mr. Speaker, 3 million Cambodians living in cities were forced into the countryside in a brutal and bloody effort to reshape Cambodian society. The Khmer Rouge targeted these city dwellers for execution, along with anyone else deemed by them to be educated, sophisticated or just different.

By the time the Khmer Rouge was forced from power in 1979, over 1.7 million Cambodian citizens amounting to over 20 percent of Cambodia's population had perished. When a number of us visited Cambodia not long ago, the vestiges of this brutal onslaught of innocent men, women and children was still profoundly visible. Hundreds of thousands of Cambodians had been forced to flee their native lands. Many were living in squalid refugee camps in Thailand and other Southeast Asia nations.

During the 1980s, some 150,000 Cambodians were received by our own country as refugees, and they began the long process of rebuilding their shattered lives. Cambodians who had lost most of their families and been subject to forced labor and torture found new lives here in the United States, and they began the difficult process of rebuilding their shattered dreams.

Cambodian Americans now number over 200,000, Mr. Speaker, and they are making an enormous contribution to our Nation's economy and to the development of our diverse culture. These new Americans continue to face many challenges rebuilding their lives in the United States even with financial, psychological and educational assistance provided to them. With passage of this resolution, we remember the victims of the Cambodian genocide, not only those who perished in Cambodia's Killing Fields, but those who were left to live with the physical and psychological scars inflicted by the hands of the brutal Khmer Rouge.

□ 1100

The courage and resiliency of these survivors is an inspiration to all of us. We cannot undo the massive devastation of the horrendous 4 years of Cambodia's history. By remembering the victims of the Cambodian genocide, however, we do our best to prevent such atrocities from ever happening again.

Mr. Speaker, I strongly support this important resolution.

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

Mr. LEACH. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of this resolution and again thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for proposing it. We share Long Beach, which is the home of a large Cambodian exiled community. Let me note the people who are exiled in Long Beach and elsewhere in the United States from Cambodia are there because they fled terror almost beyond imagination.

Cambodia was pushed into a regional conflict in the 1960s. They did not really choose to do so. Sihanouk, their king, tried to keep that country out of that conflict; and eventually, as I say, they were pushed into it. And who pushed them? Well, the Vietnamese certainly pushed the Cambodians into

it, but so did the United States of America. While we were looking towards protecting our interests in Southeast Asia, we made the Cambodians vulnerable to the type of atrocities that cost the lives of millions of Cambodians and left so many people exiled in the United States and elsewhere throughout the world.

That conflict was something that we should not forget, and we should not forget that during this massacre that followed America's withdrawal from Vietnam in Cambodia, where millions of people were imprisoned and perhaps up to a million and a half murdered, that those people were suffering and going through this situation and America ignored all of the pleas. During that time period, we turned our back on something that we had pushed them into; and we held our fingers to our ears and refused to hear the cries of agony that was coming from the slaughter that was taking place there in Cambodia.

Pol Pot and his Khmer Rouge, who, I might add, were the perfect communists, they were not working people who just rose up, they were well-educated people and well educated in Marxism, Leninism and their plans from their Marxist professors in Paris who gave them the ideas of what a perfect society would be like. And, of course, to create a perfect society they had to slaughter everyone in their society that was imperfect by their plan.

Well, we did not do what was right back in those days. The Cambodians suffered. Today we recognize that with this resolution. But we must do more than pass a resolution. We must make sure that we are committed to democracy in Cambodia. Let us not turn our backs again or put our hands over our ears when we hear that things are going wrong in Cambodia.

Hun Sen, who currently controls the government in Cambodia, was himself a member of the Khmer Rouge, was a brigade commander; and if there were people slaughtered, there is no doubt he was engaged in it. Today, when they attempt to have free elections and organize an opposition party to Hun Sen's rule, people get killed. People disappear.

Let us not turn our backs and with this resolution declare that we are committed to democracy and to helping the people of Cambodia.

Mr. LANTOS. Mr. Speaker, I yield such time as she may consume to the gentleman from California (Ms. MILLENDER-MCDONALD), my good friend and distinguished colleague who is the author of this resolution.

Ms. MILLENDER-MCDONALD. Mr. Speaker, first of all, I want to thank the gentleman from Illinois (Mr. HYDE) and the ranking member, the gentleman from California (Mr. LANTOS), for their great leadership and their sensitivity in marshaling this piece of legislation to the floor.

I would like to also thank the gentleman from Iowa (Mr. LEACH) for managing this piece of legislation; and I would like to thank my colleague and friend from the area that we both represent, Long Beach, for joining in this morning in presenting this resolution.

Mr. Speaker, I rise today to speak on my resolution, House Concurrent Resolution 83, a bill honoring the victims of the Cambodian genocide. Between April, 1975, and January, 1979, up to 3 million Cambodians were deliberately and systematically killed in what later became known as the Killing Fields. Many more were tortured, starved, and brainwashed but survived this horrific period in history.

In 1975, Pol Pot led the communist guerilla group, the Khmer Rouge, in a large-scale insurgency that resulted in the removal of millions of Cambodians from their homes and forced them into brutal labor camps. Traditional Khmer culture and society were systematically destroyed. Temples, schools, hospitals, and other buildings were shattered. Families were separated in an attempt by the Khmer Rouge to prevent family formation. Many were punished or killed for education, wealth or sophistication. Doctors, nurses, clergy, teachers, business owners, artisans, city dwellers and even those who wore glasses were singled out for execution since they were seen as bourgeois or contaminated with western influence.

The Khmer Rouge maintained control by mass public torture, executions, and dismantling the social order. Men, women and children were sent to labor camps and forced to do strenuous farm work. They were starved, with little food and contaminated drinking water. Famine and disease became epidemic, while medicine and medical care were nonexistent.

When the Khmer Rouge regime was overthrown in 1979, thousands of Cambodians fled on foot to refugee camps on the Thai border. While war continued to rage in their homeland, they waited for up to 12 years to be resettled in a third country such as the United States. From the refugee camps in Thailand, Vietnam, the Philippines, and Indonesia, approximately 145,000 Cambodians made their way to the United States between 1975 and 1999.

The majority of Cambodians arrived in the early 1980s. With the assistance of the Federal Government, State, local and voluntary agencies, Cambodians were resettled in communities across the country. Mutual assistance associations organized by previously resettled southeast Asian refugees helped these newcomers by providing essential social, physiological, cultural, educational and economic services.

I am grateful for the work that these organizations have done to help assimilate the many Cambodians that reside in my district and around this country. The United Cambodian Community, the Khmer Parent Association, the Family and Good Health Association, and the Cambodian Chamber of Congress all have played an important role in trying to help these refugees find their way and to help them overcome the horrendous experiences that they had in their homeland.

The Cambodian culture and contributions have enriched the American landscape. According to U.S. census figures, there are 176,148 Cambodians currently living in the United States, including almost 100,000 in the City of Long Beach. I am proud that the largest Cambodian population in the United States resides in my district.

Despite the tremendous loss of family members, homes, and even parts of their heritage, Cambodians have shown enormous resiliency. They continue in their struggle to fully assimilate themselves into the fabric of our society.

Unfortunately, some Cambodian refugees still suffer severe emotional trauma from the cruelties experienced under the Khmer Rouge. An article in The New York Times this past Sunday noted the difficulty and the adjustment that Cambodian refugees have had to make from forced labor to a free society. We must continue to help Cambodian refugees share in the American Dream. Passage of this measure is a start in the pursuit of justice for the victims of the Cambodian genocide.

Mr. Speaker, I urge swift passage of this resolution paying tribute to the victims of the Cambodian genocide; and I thank the chairman, the ranking member, and all who will partake in this resolution.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2½ minutes to the gentleman from Massachusetts (Mr. MEEHAN).

Mr. MEEHAN. Mr. Speaker, I thank the ranking member for yielding me this time, and I thank the chairman of the committee as well as the gentlewoman from California, the author of this resolution.

Mr. Speaker, I rise to express my strong support for House Concurrent Resolution 83, a resolution honoring those who were deliberately and systematically killed by the Khmer Rouge regime. I want to pay my solemn respects to those who lost their lives and to the survivors and their loved ones, so many of whom reside in my district and in Massachusetts and who carry the scars to this day.

The Cambodian genocide was one of the darkest chapters in human history. In April of 1975, Pol Pot led the Khmer Rouge in a brutal insurgency against the Cambodian government in an effort to wipe out traditional Khmer culture and society. Over the next 4 years, the Khmer Rouge orchestrated the calculated destruction of the Cambodian people through forced labor, public torture, and death marches.

Following the overthrow of Khmer Rouge in 1979, hundreds of thousands of Cambodians fled the country on foot to refugee camps. I met and hired one of those who worked in my Lowell district office. Sarah Kuon would tell me of her earliest memories as a child walking along a railroad track with

rocks and bare feet for miles and miles, trying to get to a refugee camp.

Many of these refugees eventually resettled in the United States; and I am proud to represent a large and active Cambodian community in and around the city of Lowell, Massachusetts, my hometown.

Cambodian Americans have made invaluable contributions to our communities through their spirit, leadership, and strength. I am proud that the City of Lowell elected the first Cambodian-American anywhere in the United States to public elective office. Rity Uong was elected to the Lowell City Council in 1979 in an at-large election. Just 2 weeks ago, he was reelected to his third term on the city council.

This resolution represents a small but important step in honoring the victims, their survivors, and their descendants by making public and vivid the hidden details of the Cambodian genocide. This resolution should remind the world not only of the horrors perpetrated by the Khmer Rouge but of the horrors of genocide in Europe, Africa, and around the world.

I am honored to add my voice to those of my colleagues today in remembering the victims of the Cambodian genocide, and I will continue to pursue justice for its victims. We will never forget what happened or turn our backs on the truth.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume to conclude with great thanks to the gentlewoman from California (Ms. MILLENDER-MCDONALD) for her gentility and her civil leadership of this very important international human rights issue.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 83.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1115

HONORING SEEDS OF PEACE FOR ITS PROMOTION OF UNDERSTANDING AMONG YOUTH FROM REGIONS OF CONFLICT

Mr. LEACH. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 288) honoring Seeds of Peace for its promotion of understanding, reconciliation, acceptance, coexistence, and peace among youth from the Middle East and other regions of conflict.

The Clerk read as follows:

H. CON. RES. 288

Whereas Seeds of Peace, founded by John Wallach in 1993, is a program that brings together young people from regions of conflict to study and learn about coexistence and conflict resolution;

Whereas although the original focus of Seeds of Peace was to bring Israeli, Palestinian, Jordanian, and Egyptian youth together, the program has expanded over the past decade to involve youths from other regions of conflict, including from Greece, Turkey and divided Cyprus, the Balkans, India, Pakistan, and Afghanistan;

Whereas these young people study and learn primarily at a summer camp operated by Seeds of Peace in Otisfield, Maine, and also through its regional programs such as the Jerusalem Center for Coexistence;

Whereas Seeds of Peace works to dispel fear, mistrust, and prejudice, which are root causes of violence and conflict, and to build a new generation of leaders who are committed to achieving peace;

Whereas Seeds of Peace reveals the human face of those whom youth have been taught to hate, by engaging campers in both guided coexistence sessions and ordinary summer camp activities such as living together in cabins, sharing meals, canoeing, swimming, playing sports, and creative exploration through the arts and computers;

Whereas the Arab-Israeli conflict is currently at a critical juncture, and sustained progress towards peace depends on the emergence of a new generation of leaders who will choose dialogue, friendship, and openness over violence and hatred;

Whereas Seeds of Peace provides year-round opportunities for former participants to build on the relationships they have forged at camp, so that the learning processes begun at camp can continue back in the participants' home countries, where they are most needed;

Whereas Seeds of Peace is strongly supported by participating governments and many world leaders;

Whereas previous Federal funding for Seeds of Peace demonstrates its recognized importance in promoting United States foreign policy goals; and

Whereas it is especially important to reaffirm that youth must be involved in long-term, visionary solutions to conflicts perpetuated by cycles of violence: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) honors the accomplishments of Seeds of Peace for promoting understanding, reconciliation, acceptance, coexistence, and peace among youth from the Middle East and other regions of conflict around the world; and

(2) offers Seeds of Peace as a model of hope that living together in peace and security is possible.

The SPEAKER pro tempore (Mr. SHAW). Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Con. Res. 288, honoring Seeds of Peace for its promotion of understanding, reconciliation, acceptance, coexistence, and peace among youth from the Middle East and other regions of conflict.

I commend the gentleman from Maine (Mr. ALLEN) and the other cosponsors of this resolution. Seeds of Peace is a courageous organization that prepares youth from conflict-ridden areas and trains them to be leaders of tomorrow. Seeds of Peace was founded in late 1993 by the late John Wallach, an award-winning author and journalist in order to bring together Arab and Israeli youth as a way for them to learn conflict resolution skills necessary for making peace. While the primary focus is on the Middle East, participants also come from the Balkans, South Asia, and Cyprus.

Since 1993, over 2,000 teens from 22 nations have graduated from Seeds of Peace. Every year hundreds of Arab and Israeli teenagers are brought together and learn to recognize the humanity within each other. Seeds of Peace makes it possible for people who are blinded by hatred and prejudice to see the value in coexistence and mutual understanding. Seeds of Peace programs expose young people to critical thinking, respect for the rule of law, human rights, participatory decision-making, nonviolent dispute resolution, and a free press.

The invaluable lessons learned and lasting friendships made through Seeds of Peace programs provide hope that respect and tolerance can prevail in communities where hate and ignorance have tragically hallmarked social interactions.

For participants, Seeds of Peace takes the war out of the streets and puts some of the most difficult issues on the table in an environment free from violence. In a period of self-reflection, teens are challenged to deal with complicated and emotional issues. They are given a candle of hope to take back to their home societies, and are prayerfully provided the determination and will to participate in civil society discussions and initiatives that can lead to a more civil region and world.

Negotiations and treaties are the responsibilities of governments. Peace, on the other hand, is made by people. In this context, Seeds of Peace are seeds of hope. I strongly urge the passage of this resolution.

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

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution. First, I want to pay tribute to my distinguished colleague, the gentleman from Maine (Mr. ALLEN), for introducing this resolution. This resolution brings about the realization of an important dream. It honors the organization Seeds of Peace for promoting understanding and coexistence among young people from the Middle East and other areas of conflict all around the globe. It praises Seeds of Peace for demonstrating that Israelis and Palestinians, Greek Cypriots and Turkish Cypriots, Serbs and Bosnians and others can live together in peace and prosperity.

Seeds of Peace reflects the vision of my late friend, John Wallach, who founded this organization 10 years ago. John believed that real peace is made by people as much as by treaties, and he believed that peacemaking starts with the attitudes developed in youth.

More than 2,000 young people from nearly two dozen nations in areas of conflict have participated in Seeds of Peace programs mainly at the Seeds of Peace summer camp in Otisfield, Maine. Here they encounter, work with, play with, and argue with each other, and far more often than not befriend their counterparts from the other side of their national conflict.

Seeds of Peace works to dispel the mistrust and prejudice that are among the root causes of violence and to build a generation of leaders committed to achieving peace.

Of course, Mr. Speaker, Seeds of Peace does not guarantee peace, and it is certainly not an alternative to patiently negotiated peace treaties among governments. It does, however, ensure that there will be a growing core of high-quality people on both sides of the Israeli-Arab divide, and other conflicts as well, who will view one another as flesh and blood human beings and not as dehumanized enemies. The mutual understanding fostered by Seeds of Peace reinforces negotiations in good times and helps buffer conflicts in bad times.

For that reason, Seeds of Peace deserves our respect, our appreciation, and our commendation as a successful venture in people-to-people peacemaking. It serves as a model for what a world which is violence-free could be in the future.

I urge all of my colleagues to support H. Con. Res. 288.

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

Mr. LEACH. Mr. Speaker, I yield 5 minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN), distinguished chair of the Subcommittee on the Middle East and Central Asia.

Ms. ROS-LEHTINEN. Mr. Speaker, I appreciate the gentleman yielding me this time.

Mr. Speaker, I want to say to all Members, this is a very important initiative, a very important bill; and I urge its passage.

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in support of H. Con. Res. 288, and I want to thank the gentleman from Illinois (Chairman HYDE), the ranking member, the gentleman from California (Mr. LANTOS), and the gentleman from Iowa (Mr. LEACH) for helping bring this resolution to the floor.

Treaties are negotiated by governments; peace is made by people. Seeds of Peace is grounded in this truth. Seeds of Peace, founded by the award-winning author and journalist John Wallach in 1993 is a program which brings together young people from regions of conflict to study and learn about coexistence and conflict resolution.

The program initially focused on Israeli, Palestinian, Jordanian and Egyptian youth, but has expanded over the past decades to involve youth from Greece, Turkey and divided Cyprus, the Balkans, India, Pakistan, Afghanistan, and other countries.

H. Con. Res. 288 honors the accomplishments of Seeds of Peace, and offers the program as a model of hope that living together in peace and security is possible. I want to thank my colleagues, the gentleman from Michigan (Mr. KNOLLENBERG), the gentleman from Maine (Mr. MICHAUD), the gentleman from Ohio (Mr. CHABOT), and 46 other Members who have cosponsored the resolution.

At the summer camp in Otisfield, Maine, and at the Jerusalem Center for Coexistence, the young people of Seeds of Peace come face to face with those whom they have been taught to hate and mistrust. An Egyptian wrote to his peers following this past summer at camp, ''This camp changed things in my character, in my thoughts, and in my whole life. I really loved the people there without looking to where they are from or what is their religion. This is really the beginning of the road.''

Recently, two new grassroots initiatives for peace in the Israeli-Palestinian conflict have emerged. These efforts present much hope. Sustained progress, however, ultimately depends on a new generation of leaders. Youth must be involved in long-term visionary solutions to conflicts perpetuated by cycles of violence.

Participating governments and world leaders strongly support Seeds of Peace. Previous Federal funding for the program demonstrates its importance in promoting United States foreign policy goals.

Seeds of Peace is even working with youngsters in Maine where a large influx of refugees and immigrants has contributed to an increase in racial and ethnic tension. As we honor Seeds of Peace today, we should remember that it offers priceless lessons to our communities at home, as well as nations abroad. I have visited the Seeds of Peace camp up in Otisfield; it is a moving and inspirational experience, and congressional support over the years has been vital to the continuation of this particular undertaking.

Mr. Speaker, I urge support for the resolution.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would conclude by thanking the gentleman from Maine (Mr. ALLEN) who has so thoughtfully brought this resolution before us. Congress is in the gentleman's debt.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of this important resolution honoring Seeds of Peace. I thank the gentleman from Maine (Mr. ALLEN) for authoring this resolution.

In describing the Day of Redemption, the Prophet Isaiah tells us ''a little child shall lead them.'' During the past 3 years of violence and bloodshed, it is clear that the leaders of Israel and the Palestinian Authority have failed their people. The beauty and wisdom of the Seeds of Peace program is to instill within Israeli and Arab children a sense of understanding, reconciliation, and acceptance so that some day these future leaders can bring peace to their embattled peoples.

Mr. Speaker, my office is well acquainted with Seeds of Peace through its relationship with one of its most illustrious graduates, a young man named Fadi El Salameen. The oldest of nine children from a Palestinian family in Hebron, Fadi has overcome incredible hardships in his life and is currently studying at Earlham College in Indiana. He tells us that he owes his success, self-confidence, and his optimism for peace in the Middle East to his experiences in the woods of Maine with Seeds of Peace.

Finally, Mr. Speaker, I would like to think after months of such terrible news, perhaps the seeds of peace are finally growing roots in the region. After so many acts of Palestinian terrorism and Israeli reprisals, after the deaths of dozens of innocent people on both sides, we are seeing some hopeful signs. In particular, I think the upcoming signing of the Geneva Accord and the continued strength of a grass roots peace petition called the People's Voice hold out hope that a comprehensive political settlement of the conflict is not an impossible dream.

And if Israeli and Arab children are willing to live together in Maine each summer to participate in Seeds of Peace, we owe it to them to continue working as hard as we can to bring peace and security to their homelands. I support this resolution.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I am delighted to be able to make a statement on this group because the program of Seeds of

Peace since 1993 has really made a difference in communication, most especially with young people. They have brought together people like Indians and Pakistanis and Israelis and Arabs, as well as teenagers from Cyprus, Afghanistan and the U.S. to understand that peace really is possible. They have helped young people from all conflict areas see each other as human beings, not as the enemy. They have helped them to break down the barriers of hatred and distrust.

□ 1130

In March of 2003, two Seeds of Peace students joined me in a peace dialogue that I had here at the Capitol. The Israeli student said when she joined Seeds of Peace, she felt she was doing something significant. The change was not aimed to change the world right away. It started out small, giving her an opportunity to change her own personal world. It gave her the opportunity to talk about the other side in terms of friends instead of saying ''those Palestinians.''

The Palestinian student said she first participated in a Seeds of Peace camp in 1999. She said 4 years have passed since then and she cannot recognize the person she was before. She also said that at Seeds of Peace, you get to open up, actually listen to each other, listen to different views and points of view and not toward just rebutting their argument, but to understand and eventually find respect for the argument.

We must voice our support for grassroots institutions that are mobilizing for peace. It might start small, but when young people in this number begin to speak about peace and trying to understand each other around the world, we will see the impact in the future. Institutions like Seeds of Peace can be instrumental in changing this world. They have helped the world to remember one thing, that peace begins with each of us.

Mr. MICHAUD. Mr. Speaker, as a proud original cosponsor of this resolution, I rise in strong support of House Concurrent Resolution 288, honoring Seeds of Peace for its promotion of understanding, reconciliation, acceptance, coexistence, and peace among youth from the Middle East and other regions of conflict.

Since 1993, Seeds of Peace has brought children from war torn areas to the Seeds of Peace International Camp in my district in Maine.

It is a source of great pride to have such a noble mission based in my state.

That mission is to sow the seeds of peace in children who have grown up in the horrors of war.

Seeds of Peace helps teenagers from the war torn regions of the Middle East, the Balkans, Cyprus, and South Asia, learn to respect and understand those they would call their enemy.

In so many of these conflicts building trust between the youth of the opposing sides is the only hope for ending the cycle of violence.

The work performed by Seeds of Peace goes to the heart of our war on terrorism, and it goes to the heart of our goal to bring peace and prosperity to the world because it goes to the hearts of children to show them that violence is not the answer.

I thank my good friend and fellow representative from Maine for introducing this legislation and I urge my colleagues to support it.

Mrs. MALONEY. Mr. Speaker, I rise today in support of H. Con. Res. 288 which honors the Seeds of Peace Program for its efforts to promote understanding and peace among young people from areas of conflict.

John Wallach, a constituent of mine and a true visionary, founded the program in 1993 to bring youths together from around the world to break down barriers and learn more about each other.

The organization plays a vital role in promoting many of our foreign policy goals and has been recognized by American leaders for its outstanding work.

By instilling understanding and open-mindedness in the world's children, we can help to put an end to long-standing conflicts and bring hope to these regions.

Seeds of Peace is a wonderful program that I hope will continue to produce more thoughtful, understanding leaders of the future.

At a time when there is so much hate in the world, the Seeds of Peace participants are an inspiration, and I admire their courage and determination.

I join my colleagues in paying tribute to this great organization and its founder John Wallach.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 288.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

COMMENDING AFGHAN WOMEN FOR THEIR PARTICIPATION IN AFGHAN GOVERNMENT AND CIVIL SOCIETY

Ms. ROS-LEHTINEN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 393) commending Afghan women for their participation in Afghan government and civil society, encouraging the inclusion of Afghan women in the political and economic life of Afghanistan, and advocating the protection of Afghan women's human rights in the Afghanistan Constitution, as amended.

The Clerk read as follows:

H. RES. 393

Whereas the women of Afghanistan suffered horrible tragedies under the Taliban regime;

Whereas the Afghan people have rejected the Taliban and are in the process of building a free and democratic republic and repairing the damage inflicted upon Afghan society by the Taliban;

Whereas those efforts have improved the daily lives of Afghan women, children, and refugees;

Whereas more Afghan girls are attending school than ever before in the history of Afghanistan and, in addition, many millions more adult women are either returning to school to make up for the time they were not allowed to attend school during the Taliban regime or taking vocational training classes to prepare for the job market;

Whereas women in Afghanistan now are able to work outside the home and hold positions in all levels of government and in private sector organizations, as they did before the Taliban regime;

Whereas the reconstruction of Afghanistan and the writing of the Afghanistan Constitution provide a unique opportunity to continue this success and to affirm women's human rights under the law;

Whereas, in order for women to fully participate in Afghan society, they must have the right to vote, the right to run for office, equality of opportunity, and access to health care, education, and employment;

Whereas women's human rights must be guaranteed in the Afghanistan Constitution; and

Whereas the United States, through its diplomatic activities, is actively involved in encouraging the full inclusion and participation of Afghan women in the political and economic life of their country, and must continue to do so throughout the reconstruction process: Now, therefore, be it

Resolved, That the House of Representatives—

(1) commends the participation of Afghan women in Afghanistan's government and civil society;

(2) proclaims its ongoing commitment to encouraging the full inclusion of women, and indeed all members of Afghan society, in the political and economic life of their country; and

(3) advocates the protection of the human rights of all Afghans, particularly women, in the Afghanistan Constitution.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Florida (Ms. ROS-LEHTINEN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Florida (Ms. ROS-LEHTINEN).

GENERAL LEAVE

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

In 1996, a heavy shroud was placed on the people of Afghanistan when the Taliban captured Kabul. But the Taliban's brutality and blatant disregard for the lives and the well-being

of the Afghan people was perhaps most clearly evident among half of its population, the women of Afghanistan. They had been made destitute, sick and marginalized. They were banned from receiving any education past the age of 8. They were denied proper medical treatment. Throughout, the strong will and courage of the Afghan women helped them endure these most deplorable of circumstances.

Today, the Afghan people are free. Women are enjoying freedoms and opportunities previously denied to them under the Taliban. The new Afghan Ministry of Education estimates that over 5 million children are in school, and 42 percent of these are girls. A Ministry of Women's Affairs has been created for the sole purpose of advocating for the rights of women and ensuring their access to, and participation in, all sectors of Afghan society. The current head of the Human Rights Commission is an Afghan woman, Dr. Sima Simar. Afghan women are playing an active role in the political and economic reconstruction of their nation, including as members of the commission responsible for the drafting of the Afghan Constitution. Their contributions can already be seen in this draft document. Articles 44, 83 and 84 of the Constitution mandate the promotion of women's education and the elimination of illiteracy while also establishing requirements that seek to ensure female representation throughout the government. After suffering unspeakable oppression, persecution and violations of their most basic freedoms, the women of Afghanistan, as the women's minister recently stated, ''can have our position in the society, and our people in Afghanistan can be under one Constitution.''

All of these developments, Mr. Speaker, as the International Crisis Group has described it, ''heralded a new day for women in Afghanistan.'' However, this would not have been possible without the support of the international community and, in particular, the unwavering commitment of our United States. One of the many ways in which we have demonstrated our commitment to the full participation of women in Afghanistan's political and economic reconstruction has been through programs such as the U.S. Agency for International Development, AID, and its contribution of $2.5 million for the creation of women's resource centers in various provinces throughout Afghanistan.

The resolution before us details the developments that have taken place since the end of the Taliban regime and the progress made in improving the daily lives of Afghan women. Further, it notes the efforts of the United States in encouraging the full inclusion and participation of Afghan women in the political and economic arena and proclaims our ongoing commitment on this front. House Resolution 393 is a straightforward resolution that commends the participation of Afghan women in civil society and underscores the will of the U.S. House of Representatives that the protection of the human rights of all Afghans, particularly women, be protected in the constitution of Afghanistan.

I ask my colleagues to support this measure.

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

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of this resolution. First I would like to thank the gentlewoman from Illinois (Mrs. BIGGERT), the gentlewoman from New York (Mrs. MALONEY) and the gentlewoman from Florida (Ms. ROS-LEHTINEN) for their important contribution in bringing this issue to our attention.

Mr. Speaker, Afghanistan is entering a crucial phase in its efforts to leave behind the legacy of two decades of nightmare, civil war, narco-terrorism, the Taliban, and the appalling abuse of women and girls. Over the coming year, the Afghans will be approving a new constitution and a new Afghan government hopes to hold free and fair elections. These acts will determine Afghanistan's course for decades to come.

The role of women and girls in this process remains, unfortunately, unclear. After suffering for so long under the brutal Taliban regime, Afghan women are finally participating in Afghan society, including the political process in that country. But despite progress being made, the threat still remains that Afghan women will once again become the subject of both discrimination and violence. Indeed, Mr. Speaker, girls' education is coming increasingly under attack, with the burning of schools dedicated for that purpose. And there are disturbing reports of abuses of women's rights by local warlords in spite of the efforts of the Afghan transitional authority to protect them.

Our resolution commends the participation of Afghan women in the government of Afghanistan and in civil society, and it encourages the full inclusion of women in all sectors of Afghan society, particularly the political, economic and educational sectors. As the key decisions on the Afghan Constitution draw near, the United States and the international community must continue to press the Afghan government to allow the full inclusion of women in Afghan society at all levels and to provide for the full protection of women's human rights in the Constitution of Afghanistan.

I urge all of my colleagues to support H. Res. 393.

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

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), the sponsor of the resolution.

Mrs. BIGGERT. Mr. Speaker, I thank the gentlewoman for yielding me this time and for her very helpful input on this resolution. Her commitment to protecting human rights is well-known, and I am honored to work with her to support the women of Afghanistan.

Mr. Speaker, I rise today in support of this very important resolution. I am honored to sponsor it and I thank the gentlewoman from New York (Mrs. MALONEY) for introducing it with me. I also want to thank my neighbor, the gentleman from Illinois (Mr. HYDE) along with the gentleman from California (Mr. LANTOS) and the staff on the Committee on International Relations for helping to bring this resolution to the floor.

Frankly, it is no secret that Afghan women had a very, very hard time under Taliban rule. Women were frequently beaten, raped, kidnapped and killed. They had no access to education or health care. For 5 years, they were told that the only place for them was at home with their husbands or in the grave. Women were systematically and routinely singled out for abuse simply because they were women. In short, they lived in nightmarish conditions that few of us could even imagine.

Two years after the fall of the Taliban, the women of Afghanistan are making tremendous progress in reclaiming their rightful place in society. Women are returning to positions they held in pre-Taliban times, working as doctors, lawyers, teachers, civil servants and in numerous other professions. Most girls are attending school, which was not true ever before in the history of this country. They are no longer forced to wear the burdensome burqa, although many of them do, and hopefully they are no longer living in fear of being brutalized simply because they are female.

These women have overcome unimaginable obstacles and they deserve our ongoing support as they work to build a new democracy. I have been involved in several meetings here in the United States and a video conference with women leaders in Afghanistan through the U.S.-Afghan Women's Council. It is encouraging to see that the country is transforming itself into a democracy and the Afghan women are participating, working towards elections, and some of these women will be candidates. All of this is good news, but there is still so much more that must be accomplished.

As part of the rebuilding process, the people of Afghanistan are drafting a constitution that will define the principles of their new democratic government. Under the Bonn agreement, the final draft will be finished in a few short months. As the drafters continue the hard work of crafting that important document, we must continue to encourage the inclusion of women and the protection of their most basic rights. The creation of a permanent Afghan government marks an important

transition in the history of that country. It also provides a unique opportunity to commend the women of Afghanistan for overcoming the monumental challenges they have faced and to reiterate the U.S. commitment to protecting the human rights of all. This is what the resolution does.

The United States has a vested interest in promoting a democratic regime in Afghanistan. As President Bush put it, women will be the backbone of a new Afghanistan. It is critical, therefore, that women be assured of their right to participate in the civic life of their country. It is encouraging to note that women have been involved in the drafting of the constitution. However, in order for women to continue participating in public life, this right must be protected.

I am pleased that the U.S. has taken such an active role in aiding the women of Afghanistan. In the last Congress, we passed and the President signed into law the Afghan Women and Children's Relief Act. This much-needed legislation provided educational and health care assistance for women and children living in Afghanistan and as refugees in neighboring countries. This was an important first step that provided immediate assistance. Now, however, it is time to look beyond the short term and provide long-term assurance that the women of Afghanistan will never again be targeted for abuse by their government and forced to live under such horrific conditions.

Mr. Speaker, this is an important and timely resolution. In order to promote true democracy in Afghanistan, we must do all we can to encourage the inclusion of women in the civic life of their country. I am honored to support this resolution, and I encourage my colleagues to do so as well.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 4 minutes to the gentlewoman from New York (Mrs. MALONEY) who has been an indefatigable fighter for all human rights issues and without whom we would not be considering this resolution.

□ 1145

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me this time and acknowledge the tremendous role that he and the gentleman from Illinois (Mr. HYDE) had in the passage of this resolution.

I rise in strong support of this resolution which commends Afghan women and supports their participation in government and the inclusion of women's rights in the Afghan constitution. The gentlewoman from Illinois (Mrs. BIGGERT), my good friend, and I co-authored this resolution to acknowledge the struggles that Afghan women have faced and to show the support of this Congress for winning the battles that remain.

Women under the Taliban were denied their basic rights to work, education, and health care; and they suffered greatly over the course of 23 years of war. The end of the Taliban regime, appointment of women to the cabinet, and the establishment of the Ministry of Women's Affairs and the participation of over 200 women delegates in the June, 2002, Loya Jirga gave women hope. Yet many women continue to wear the burka out of fear of attack from fundamentalist extremists, and there are extremely disturbing reports of discrimination and the burning of over 30 girls' schools.

Earlier this Congress showed their support not only in words but with financial support. Our amendment to the fiscal year 2004 emergency supplemental appropriations legislation directed $5 million to the Independent Human Rights Commission in Afghanistan and $60 million in direct funding for the Ministry of Women's Affairs and Afghan women-led governmental organizations which is necessary to build permanent institutions to safeguard women's rights in Afghanistan.

For women to advance in Afghanistan, they must have equal rights under the law, they must have the right to vote and the right to run for office and the equality of opportunity and access to health care, education, and employment. These rights will not be possible in Afghanistan without their inclusion in the constitution and without the ability of delegates to the December Loya Jirga to speak out for women's rights and human rights without fear of reprisal.

I deeply thank this Congress and the leadership of this Congress for being committed to helping the women in Afghanistan, for their support of the passage of this important resolution, and their earlier support for direct appropriations to help the women in Afghanistan. I particularly thank the leadership of the gentleman from California (Mr. LANTOS), the gentleman from Illinois (Mr. HYDE), and the gentlewoman from Illinois (Mrs. BIGGERT).

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. ROHRABACHER), a staunch defender of human rights worldwide.

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of this resolution and commend those who were involved with bringing it to the floor today.

About 5 months ago, I traveled across Afghanistan. Just actually my wife and I decided to travel by car, and we were told that it was rather risky and that it was a precarious situation; but we wanted to see exactly what was happening on the scene, and I would like to report a little incident that happened.

As we were traveling between Kabul and Mazar Sharif, we saw the devastation throughout the countryside, burned-out Russian tanks and buildings that had been destroyed. We noticed some young people, hundreds of people, gathered at this old building that seemed like a bombed-out relic from World War II; and we had our driver stop, and we walked over and we had an interpreter with us. And there we found, I guess, about 100 young Afghan children all about 8, 9, 10 years old, sitting in this burned-out building where they had piled rocks together and formed little desks, trying to teach each other how to read and to write. There was never a symbol of a people who were more committed to moving ahead and to bringing themselves out of the ashes of this horrible catastrophe that has befallen their country for these last 25 years than these young children; and what was most important is they were not just a bunch of boys. There were young boys and young girls who were there being taught to read and to write and to improve themselves and thus bring up their country, and it was one of the most inspiring sights I had seen.

The United States has a special burden here in Afghanistan. We turned away from the Afghans before, and it led to another era of crises after the Soviets left; and let me just note that I am afraid to offer this to my colleagues: I think we need to pay more attention to Afghanistan. This resolution is an important step, but we need to pay more attention. Things are sliding back in the wrong direction if we do not pay attention.

And I think we have a message today to the people of Afghanistan, and that is democracy is sometimes slow to move, but we are committed to helping them rebuild their country and to build those institutions that provide for human dignity. We respect their religion, we respect their faith, but we also know that the persecution of women is not required by Islam, that this Taliban extremism and Islamic extremism that we see in various parts of the world does not reflect the broad cross-section of Muslims who would grant women their rights and have little children who happen to be girls educated and treated equally and with due respect. But today we have to work with the Afghan people to make sure that the Taliban does not come back, and that threat still exists. And to the people of Afghanistan we say today do not give in to these evil people again. The Americans have not left. We will not leave until they are secure from the return of the Taliban and al Qaeda and the terrorists that held them in bondage.

Mr. LANTOS. Mr. Speaker, I want to commend my friend from California for his powerful statement.

Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from California (Ms. LOFGREN).

(Ms. LOFGREN asked and was given permission to revise and extend her remarks.)

Ms. LOFGREN. Mr. Speaker, I rise today to support this resolution, but I must note that it is not enough. We need to make every effort to assist the women of Afghanistan to become full and participating members of society as so many women there wish.

Inside the Beltway it may seem that we are doing enough, but we have continually appropriated money to help Afghan women and children, 5 million in 2003, 25 million in 2004, 60 million in the recent supplemental appropriations bill. But unfortunately the money is not necessarily getting to the women themselves, and Members of Congress have written to our President about that, but we have not actually made the difference that we would want.

Last week when I returned to my district, I met an Afghan women's advocate, Afifa Azim, who was full of hope but has been let down by this administration. She had come all the way to America to search for support from private organizations in California. Imagine, she had to travel here to find private help when we have appropriated millions of dollars for women's programs and the President has told us he is committed to administering the money in the best possible way. Other Afghan women advocates are telling me the same.

The problem is not that the women of Afghanistan are not full of hope, nor is the problem with Congress who has appropriated funds. The problem is that the administration has not tracked the resources to make sure that they get to the Afghan women who need these funds; and I would like to read from the San Francisco Chronicle a story about Ms. Azim. She said, ''What's most unfortunate is that in the beginning, the international community was promising to first help the women, but that has not happened. For almost 2 years, they were promising to open women's centers in different provinces, but it hasn't happened, all because of a lack of resources, not desire.''

If the President is serious about winning the war on terror, he must not forget that a great key to our success lies in the women of Afghanistan. I support this resolution, but I would be happier if we were actually directing the President to send the resources necessary to the women of Afghanistan. And I include in the RECORD the article from the San Francisco Chronicle about Ms. Azim's visit.

[From the San Francisco Chronicle, Nov. 17, 2003]

AFGHAN WOMAN SOLDIER ON BAY AREA VISIT TO RAISE SUPPORT FOR FREEDOMS NOT YET REALIZED

(By Anastasia Hendrix)

Standing just 5 feet tall, even in heels, Afifa Azim may appear diminutive but her ambition to improve the lives of women in Afghanistan is enormous, and she is visiting the Bay Area to get some help.

Though the world's attention has shifted to the conflict in Iraq and the repressive Taliban regime has been chased out of Afghanistan, women there have not been able to enjoy the freedoms they had decades ago, she said.

''Most of the women outside of Kabul, in the villages, are still oppressed, still wearing burkas and still are afraid,'' she said. ''I am saying please be patient and pay attention to Afghanistan. We still desperately need it.''

Azim is the director of the Afghan Women's Network, an umbrella organization comprised of 65 nonprofit, nongovernmental groups designed to support, train and employ women.

Born in Kabul, the 49-year-old mother of two daughters and three sons oversees the agency's headquarters in Peshawar, Pakistan, as well as two offices in Afghanistan. The agency has yet to get a working fax machine, she said, but has received grants for several computers.

She is meeting with native Afghans and women's rights advocates as part of a program developed by the San Francisco-based Women's Intercultural Network (WIN), which strives to create a network of women's organizations around the world for ''collective action on mutual concerns.''

''A lot of people are going into Afghanistan now doing refugee work, doing work on housing, food and infrastructure, but nobody's really working directly with the women to build the capacity of their organizations,'' said Marilyn Fowler, president and chief executive officer of the network. ''It's not just about money, but also the training and technology that is so badly needed.''

Azim is one of nine women on a committee participating in the drafting of Afghanistan's new constitution, which will be important to legally protect women's rights, she said.

It is a more daunting task than it may seem, said Rona Popal, executive director of the Fremont-based Afghan Women Association International, who recently returned form a trip to Kabul.

''For example, the Ministry of Women's Affairs is one of the poorest ministries (in the Afghan government). Many programs have been closed, and a lot of women have had to be laid off,'' she said. ''What's most unfortunate is that in the beginning, the international community was promising to first help the women, but that had not happened. For almost two years they were promising to open women's centers in different provinces, but it hasn't happened—all because of a lack of resources, not desire.''

If anyone is up to the challenge of fighting for the emerging women's rights movement in Afghanistan, it is Azim, said Irene Lu, a senior at Standford University who spent six months this year working for the Afghan Women's Network in Kabul.

''It's amazing how much she really loves her country. She works day and night thinking of specific projects,'' Lu said,''She's often at the office until1 1 or 12 at night, and she even came to the office at 3 a.m. to talk to me about one of the projects we were working on.''

With Azim, Lu created a national directory of nonprofit women's groups in and around Afghanistan, surveyed women in refugee camps and created a paid internship program for female students at Kabul University.

Azim said there are setbacks and times of sadness and frustration, but that she relies on the strength of other women's rights advocates for motivation and her family for inspiration.

Her three sons, ages 18, 19, and 20, all volunteer for her organization. Her daughters, ages 8 and 22, are constant reminder of her goals, she said.

''I want them to have a bright future, to be able to have a good and happy life,'' she said.

Her husband, Azim, is also supportive of her efforts, it not necessarily her frequent trips to Kabul, she said. The family fled Afghanistan in 1985 but plans to move back by new year, she said.

Today, Azim is headed back to Pakistan. She said she will travel and work as much as necessary to broaden awareness about the struggles still facing Afghan women.

''We know that American women are strong and have the power to do something to help our women, even if the government can't or won't'' she said. ''Of this, I am confident.''.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. ROYCE), a strong leader in our Committee on International Relations.

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

Mr. Speaker, I support this bill commending the participation of Afghan women in that society. But let me share with the Members that I had an opportunity to travel in Afghanistan, and there is a small orphanage that I have supported. I have been a board member for a number of years on this particular board for this school that attempts to teach orphans in Afghanistan. And I wanted to see about the work that they were conducting. So when I was there, I actually had an opportunity to talk not only to the students, several of whom spoke English, but also with the teachers.

One of the teachers showed me, by the way, the scars on his legs and arms. He was caught by the former regime. He was not teaching jihad. He was teaching mathematics. He was teaching science. And that was considered verboten. That was forbidden by that government. And as a consequence, he was tortured for that. But the school continued its work clandestinely, and today that work continues. And I asked the young students there what they intended to be when they grew up, and we got different answers from different students. But one young woman stood up and she said, ''When I grow up, I want to go to the University of Kabul because I am going to be a physician.''

And I asked her, ''Why do you want to become a doctor?''

She said, ''I want to become a doctor because I want to help my people.''

We forget that two thirds of the physicians in Afghanistan before the Taliban, two thirds of physicians, were women. But, in fact, when that society was hijacked by the Taliban and that brutal regime began the process of excluding women not only from education but from the workforce and from riding a bus or from visiting a doctor, we forget just how brutal that regime was.

I have got a great deal of respect for what the new government is trying to do. The new Afghan government has established a Ministry of Women's Affairs dedicated to improving women's rights, but in the meantime the reality continues, that at the hands of regional warlords and brigands and religious fanatics, women are still beaten and they are still raped and they are still abducted.

However, as this is happening, women are playing a role in the political reconstruction of Afghanistan. Seven women are members of the constitutional drafting commission. That is 20 percent of the commission. Under the released draft constitution, Afghanistan's president can nominate

women to hold up to 50 percent of the seats of the upper house of parliament.

For the first time in years, Afghans are hearing the voice of women on the air because the broadcasts of Radio Free Afghanistan air commentary from both the women in the Afghan ministries and the men and women that are interviewed on the streets, in the towns. And it is important to remember again that before 1978 women were very influential in this society. Not only were they two-thirds of teachers, as I mentioned, but they played a role throughout the society, throughout the workforce, and they must play a vital role in helping Afghanistan become a stable state.

There is so much work to be done, and there is so much more attention that we as a Congress, not just the administration, but we as a Congress need to pay to this problem.

But Afghanistan has made tremendous strides, at least in Kabul, in the liberation from the Taliban; and we have to remember that the Taliban is still rooted in parts of that country. And I ask my colleagues to support this resolution and to continue to focus in their own time and in their own ways on ideas of how we can expand some measure of progress beyond the capital into the regional areas of Afghanistan.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from California (Mr. LANTOS), my good friend. It is always a real honor and a pleasure to work with him. He is a man of integrity, great intelligence, and I consider him one of my mentors. It is always a pleasure to handle a bill on the floor with him.

□ 1200

Mr. Speaker, in closing, I would merely like to underscore the stark contrast between the Afghanistan that we had under the Taliban and the free Afghanistan that today is working to rebuild from the ruins of over 20 years of war and oppression. But all is not perfect, as we heard from many speakers here today. The road ahead will not be an easy task, but nothing that is worth doing and having usually comes easy.

The Afghan people and especially the women of Afghanistan need our support. They need our steadfast commitment to stay with them, to remain engaged for the long haul. This resolution before us reiterates that commitment, a commitment that was articulated by President Bush just this morning, and I ask my colleagues to support the resolution of the gentlewoman from Illinois (Mrs. BIGGERT) and the gentlewoman from New York (Mrs. MALONEY).

Mr. LARSON of Connecticut. Mr. Speaker, I rise today in strong support of the resolution commending Afghan women for their participation in the Afghan government. Overcoming a history of suppression under Taliban rule, the women of Afghanistan have worked to strengthen women's rights in Afghanistan's new democracy.

Prior to Taliban rule, Afghanistan had a Constitutional democracy that affirmed women's rights, including the right to vote and equal pay provisions. However, under control of the Taliban, women were silenced and denied basic-fundamental rights to healthcare, education and employment. Today, Afghan women have emerged to help build a brighter and more stable future for Afghanistan.

Afghan women are more involved than ever in the Afghanistan government. Currently, there are two women holding high-ranking positions in Afghanistan's transitional government. Additionally, on September 5, 2003, the third annual conference of Women for Afghan Women (WAW) met in Kandahar to draft an Afghan Women's Bill of Rights to present to President Hamid Karzai. These rights include mandatory education for all women, protection and security from gender abuse, freedom to vote and the ability to run for all elections.

Afghanistan is at a crucial transition point and it is imperative that the United States continue its support in promoting democracy and equality for both men and women of Afghanistan. I urge all of my fellow Members to vote with me in support of H. Res. 393 and commend the women of Afghanistan for their contributions and involvement in the Afghan government.

Ms. ROS-LEHTINEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 393, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

MUTUAL FUNDS INTEGRITY AND FEE TRANSPARENCY ACT OF 2003

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2420) to improve transparency relating to the fees and costs that mutual fund investors incur and to improve corporate governance of mutual funds, as amended.

The Clerk read as follows:

H.R. 2420

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

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Mutual Funds Integrity and Fee Transparency Act of 2003''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title.
TITLE I—INTEGRITY AND FEE TRANSPARENCY
Sec. 101. Improved transparency of mutual fund costs.
Sec. 102. Obligations regarding certain distribution and soft dollar arrangements.
Sec. 103. Mutual fund governance.
Sec. 104. Audit committee requirements for investment companies.
Sec. 105. Trading restrictions.
Sec. 106. Definition of no-load mutual fund.
Sec. 107. Informing directors of significant deficiencies.
Sec. 108. Exemption from in person meeting requirements.
Sec. 109. Proxy voting disclosure.
Sec. 110. Incentive compensation and mutual fund sales.
Sec. 111. Commission study and report regulating soft dollar arrangements.
Sec. 112. Study of arbitration claims.
TITLE II—PREVENTION OF ABUSIVE MUTUAL FUND PRACTICES
Sec. 201. Prevention of fraud; internal compliance and control procedures.
Sec. 202. Ban on joint management of mutual funds and hedge funds.
Sec. 203. Short term trading by interested persons prohibited.
Sec. 204. Elimination of stale prices.
Sec. 205. Prevention of unfair after-hours trading.
Sec. 206. Report on adequacy of remedial actions.

TITLE I—INTEGRITY AND FEE TRANSPARENCY

SEC. 101. IMPROVED TRANSPARENCY OF MUTUAL FUND COSTS.

(a) REGULATION REVISION REQUIRED.—Within 270 days after the date of enactment of this Act, the Securities and Exchange Commission shall revise regulations under the Securities Act of 1933, the Securities Exchange Act of 1934, or the Investment Company Act of 1940, or any combination thereof, to require, consistent with the protection of investors and the public interest, improved disclosure with respect to an open-end management investment company, in the quarterly statement or other periodic report to shareholders or other appropriate disclosure document, of the following:

(1) The estimated amount, in dollars for each $1,000 of investment in the company, of the operating expenses of the company that are borne by shareholders.

(2) The structure of, or method used to determine, the compensation of individuals employed by the investment adviser of the company to manage the portfolio of the company, and the ownership interest of such individuals in the securities of the company.

(3) The portfolio turnover rate of the company, set forth in a manner that facilitates comparison among investment companies, and a description of the implications of a high turnover rate for portfolio transaction costs and performance.

(4) Information concerning the company's policies and practices with respect to the payment of commissions for effecting securities transactions to a member of an exchange, broker, or dealer who—

(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

(B) furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or

(C) facilitates the sale and distribution of the company's shares.

(5) Information concerning payments by any person other than the company that are intended to facilitate the sale and distribution of the company's shares.

(6) Information concerning discounts on front-end sales loads for which investors may be eligible, including the minimum purchase amounts required for such discounts.

(b) APPROPRIATE DISCLOSURE DOCUMENT.—

(1) IN GENERAL.—For purposes of subsection (a), a disclosure shall not be considered to be made in an appropriate disclosure document if the disclosure is made exclusively in a prospectus or statement of additional information, or both such documents.

(2) EXCEPTIONS.—Notwithstanding paragraph (1), the disclosures required by paragraph (2) and (4) of subsection (a) may be considered to be made in an appropriate disclosure document if the disclosure is made exclusively in a prospectus or statement of additional information, or both such documents.

(c) CONCEPT RELEASE REQUIRED.—

(1) IN GENERAL.—The Commission shall issue a concept release examining the issue of portfolio transaction costs incurred by investment companies, including commission, spread, opportunity, and market impact costs, with respect to trading of portfolio securities and how such costs may be disclosed to mutual fund investors in a manner that will enable investors to compare such costs among funds.

(2) REPORT AND RECOMMENDATIONS REQUIRED.—The Commission shall submit a report on the findings from the concept release required by paragraph (1), as well as legislative and regulatory recommendations, if any, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, no later than 270 days after the date of enactment of this Act.

(d) ADDITIONAL REQUIREMENT FOR FEE STATEMENT.—

(1) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Commission shall prescribe a rule to require, with respect to an open-end management investment company, in the quarterly statement or other periodic report, or other appropriate disclosure document, a statement informing shareholders that such shareholders have paid fees on their investments, that such fees have been deducted from the amounts shown on the statements, and where such shareholders may find additional information regarding the amount of these fees.

(2) APPROPRIATE DISCLOSURE DOCUMENT.—The statement required by paragraph (1) shall not be considered to be made in an appropriate disclosure document unless such statement is—

(A) made in each periodic statement to a shareholder that discloses the value of the holdings of the shareholder in the securities of the company; and

(B) prominently displayed, in a location in close proximity to the statement of the shares account value.

(e) REDUCING BURDENS ON SMALL FUNDS.—In prescribing rules under this section, the Commission shall give consideration to methods for reducing for small investment companies the burdens of making the disclosures required by such rules, consistent with the public interest and the protection of investors.

SEC. 102. OBLIGATIONS REGARDING CERTAIN DISTRIBUTION AND SOFT DOLLAR ARRANGEMENTS.

(a) REPORTING REQUIREMENT.—Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a–15) is amended by adding at the end the following new subsection:

''(g) OBLIGATIONS REGARDING CERTAIN DISTRIBUTION AND SOFT DOLLAR ARRANGEMENTS.—

''(1) REPORTING REQUIREMENTS.—Each investment adviser to a registered investment company shall, no less frequently than annually, submit to the board of directors of the company a report on—

''(A) payments during the reporting period by the adviser (or an affiliated person of the adviser) that were directly or indirectly made for the purpose of promoting the sale of shares of the investment company (referred to in paragraph (2) as a 'revenue sharing arrangement');

''(B) services to the company provided or paid for by a broker or dealer or an affiliated person of the broker or dealer (other than brokerage and research services) in exchange for the direction of brokerage to the broker or dealer (referred to in paragraph (2) as a 'directed brokerage arrangement'); and

''(C) research services obtained by the adviser (or an affiliated person of the adviser) during the reporting period from a broker or dealer the receipt of which may reasonably be attributed to securities transactions effected on behalf of the company or any other company that is a member of the same group of investment companies (referred to in paragraph (2) as a 'soft dollar arrangement').

''(2) FIDUCIARY DUTY OF BOARD OF DIRECTORS.—The board of directors of a registered investment company shall have a fiduciary duty—

''(A) to review the investment adviser's direction of the company's brokerage transactions, including directed brokerage arrangements and soft dollar arrangements, and to determine that the direction of such brokerage is in the best interests of the shareholders of the company; and

''(B) to review any revenue sharing arrangements to ensure compliance with this Act and the rules adopted thereunder, and to determine that such revenue sharing arrangements are in the best interests of the shareholders of the company.

''(3) SUMMARIES OF REPORTS IN ANNUAL REPORTS TO SHAREHOLDERS.—In accordance with regulations prescribed by the Commission under paragraph (4), annual reports to shareholders of a registered investment company shall include a summary of the most recent report submitted to the board of directors under paragraph (1).

''(4) REGULATIONS.—The Commission shall adopt rules and regulations implementing this section, which rules and regulations shall, among other things, prescribe the content of the required reports.

''(5) DEFINITION.—For purposes of this subsection—

''(A) the term 'brokerage and research services' has the same meaning as in section 28(e)(3) of the Securities Exchange Act of 1934; and

''(B) the term 'research services' means the services described in subparagraphs (A) and (B) of such section.''.

(b) CONTRACTUAL RECORDS.—Within 270 days after the date of enactment of this Act, the Securities and Exchange Commission shall, by rule prescribed pursuant to section 28(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(e)), require that—

(1) if any research services (as such term is defined in section 15(g)(5)(B) of the Investment Company Act of 1940, as amended by subsection (a) of this section)—

(A) are provided by a member of an exchange, broker, or dealer who effects securities transactions in an account, and

(B) are prepared or provided by a party that is unaffiliated with such member, broker, or dealer,

any person exercising investment discretion with respect to such account shall maintain a copy of the written contract between the person preparing such research and the member of an exchange, broker, or dealer; and

(2) such contract shall describe the nature and value of the services provided.

SEC. 103. MUTUAL FUND GOVERNANCE.

(a) DIRECTOR INDEPENDENCE.—Section 10(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–10) is amended by striking ''60 per centum'' and inserting ''one-third''.

(b) DEFINITION OF INTERESTED PERSON.—Section 2(a)(19) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)) is amended—

(1) in subparagraph (A)—

(A) by striking clause (vi) and redesignating clause (vii) as clause (vi); and

(B) by amending clause (v) to read as follows:

''(v) any natural person who is a member of a class of persons who the Commission, by rule or regulation, determines are unlikely to exercise an appropriate degree of independence as a result of—

''(I) a material business or professional relationship with the company or any affiliated person of the company, or

''(II) a close familial relationship with any natural person who is an affiliated person of the company,''; and

(2) in subparagraph (B)—

(A) by striking clause (vi) and redesignating clause (vii) as clause (vi); and

(B) by amending clause (v) to read as follows:

''(v) any natural person who is a member of a class of persons who the Commission, by rule or regulation, determines are unlikely to exercise an appropriate degree of independence as a result of—

''(I) a material business or professional relationship with such investment adviser or principal underwriter (or affiliated person thereof), or

''(II) a close familial relationship with a natural person who is such investment adviser or principal underwriter (or affiliated person thereof),''.

SEC. 104. AUDIT COMMITTEE REQUIREMENTS FOR INVESTMENT COMPANIES.

(a) AMENDMENTS.—Section 32 of the Investment Company Act of 1940 (15 U.S.C. 80a–31) is amended—

(1) in subsection (a)—

(A) by striking paragraphs (1) and (2) and inserting the following:

''(1) such accountant shall have been selected at a meeting held within 30 days before or after the beginning of the fiscal year or before the annual meeting of stockholders in that year by the vote, cast in person, of a majority of the members of the audit committee of such registered company;

''(2) such selection shall have been submitted for ratification or rejection at the next succeeding annual meeting of stockholders if such meeting be held, except that any vacancy occurring between annual meetings, due to the death or resignation of the accountant, may be filled by the vote of a majority of the members of the audit committee of such registered company, cast in person at a meeting called for the purpose of voting on such action;''; and

(B) by adding at the end the following new sentence: ''The Commission, by rule, regulation, or order, may exempt a registered management company or registered face-amount certificate company subject to this subsection from the requirement in paragraph (1) that the votes by the members of the audit committee be cast at a meeting in person when such a requirement is impracticable, subject to such conditions as the Commission may require.''; and

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

''(d) AUDIT COMMITTEE REQUIREMENTS.—

''(1) REQUIREMENTS AS PREREQUISITE TO FILING FINANCIAL STATEMENTS.—Any registered management company or registered face-amount certificate company that files with the Commission any financial statement signed or certified by an independent public accountant shall comply with the requirements of paragraphs (2) through (6) of this subsection and any rule or regulation of the Commission issued thereunder.

''(2) RESPONSIBILITY RELATING TO INDEPENDENT PUBLIC ACCOUNTANTS.—The audit committee of the registered company, in its capacity as a committee of the board of directors, shall be directly responsible for the appointment, compensation, and oversight of the work of any independent public accountant employed by such registered company (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing the audit report or related work, and each such independent public accountant shall report directly to the audit committee.

''(3) INDEPENDENCE.—

''(A) IN GENERAL.—Each member of the audit committee of the registered company shall be a member of the board of directors of the company, and shall otherwise be independent.

''(B) CRITERIA.—In order to be considered to be independent for purposes of this paragraph, a member of an audit committee of a registered company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee—

''(i) accept any consulting, advisory, or other compensatory fee from the registered company or the investment adviser or principal underwriter of the registered company; or

''(ii) be an 'interested person' of the registered company, as such term is defined in section 2(a)(19).

''(4) COMPLAINTS.—The audit committee of the registered company shall establish procedures for—

''(A) the receipt, retention, and treatment of complaints received by the registered company regarding accounting, internal accounting controls, or auditing matters; and

''(B) the confidential, anonymous submission by employees of the registered company and its investment adviser or principal underwriter of concerns regarding questionable accounting or auditing matters.

''(5) AUTHORITY TO ENGAGE ADVISERS.—The audit committee of the registered company shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.

''(6) FUNDING.—The registered company shall provide appropriate funding, as determined by the audit committee, in its capacity as a committee of the board of directors, for payment of compensation—

''(A) to the independent public accountant employed by the registered company for the purpose of rendering or issuing the audit report; and

''(B) to any advisers employed by the audit committee under paragraph (5).

''(7) AUDIT COMMITTEE.—For purposes of this subsection, the term 'audit committee' means—

''(A) a committee (or equivalent body) established by and amongst the board of directors of a registered investment company for the purpose of overseeing the accounting and financial reporting processes of the company and audits of the financial statements of the company; and

''(B) if no such committee exists with respect to a registered investment company, the entire board of directors of the company.''.

(b) CONFORMING AMENDMENT.—Section 10A(m) of the Securities Exchange Act of 1934 is amended by adding at the end the following new paragraph:

''(7) EXEMPTION FOR INVESTMENT COMPANIES.—Effective one year after the date of enactment of the Mutual Funds Integrity and Fee Transparency Act of 2003, for purposes of this subsection, the term 'issuer' shall not include any investment company that is registered under section 8 of the Investment Company Act of 1940.''.

(c) IMPLEMENTATION.—Not later than 180 days after the date of enactment of this Act, the Securities and Exchange Commission shall issue final regulations to carry out section 32(d) of the Investment Company Act of 1940, as added by subsection (a) of this section.

SEC. 105. TRADING RESTRICTIONS.

Subsection (e) of section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a–22(e)) is amended to read as follows:

''(e) TRADING RESTRICTIONS.—

''(1) PROHIBITION AND EXCEPTIONS.—No registered investment company shall suspend the right of redemption, or postpone the date of payment or satisfaction upon redemption of any redeemable security in accordance with its terms for more than seven days after the tender of such security to the company or its agents designated for that purpose for redemption, except—

''(A) for any period (i) during which the principal market for the securities in which the company invests is closed, other than customary week-end and holiday closings; or (ii) during which trading on such exchange is restricted;

''(B) for any period during which an emergency exists as a result of which (i) disposal by the company of securities owned by it is not reasonably practicable; or (ii) it is not reasonably practicable for such company fairly to determine the value of its net assets; or

''(C) for such other periods as the Commission may by order permit for the protection of security holders of the company.

''(2) COMMISSION RULES.—The Commission shall by rules and regulations—

''(A) determine the conditions under which trading shall be deemed to be restricted;

''(B) determine the conditions under which an emergency shall be deemed to exist; and

''(C) provide for the determination by each company, subject to such limitations as the Commission shall determine are necessary and appropriate for the protection of investors, of the principal market for the securities in which the company invests.''.

SEC. 106. DEFINITION OF NO-LOAD MUTUAL FUND.

Within 270 days after the date of enactment of this Act, the Securities and Exchange Commission shall, by rule adopted by the Commission or a self-regulatory organization (or both)—

(1) clarify the definition of ''no-load'' as such term is used by investment companies that impose any fee under a plan adopted pursuant to rule 12b-1 of the Commission's rules (17 C.F.R. 270.12b–1); and

(2) require disclosure to prevent investors from being misled by the use of such terminology by the company or its adviser or principal underwriter.

SEC. 107. INFORMING DIRECTORS OF SIGNIFICANT DEFICIENCIES.

Section 42 of the Investment Company Act of 1940 (15 U.S.C. 80a–41) is amended by adding at the end the following new subsection:

''(f) INFORMING DIRECTORS OF SIGNIFICANT DEFICIENCIES.—If the report of an inspection by the Commission of a registered investment company identifies significant deficiencies in the operations of such company, or of its investment adviser or principal underwriter, the company shall provide such report to the directors of such company.''.

SEC. 108. EXEMPTION FROM IN PERSON MEETING REQUIREMENTS.

Section 15(c) of the of the Investment Company Act of 1940 (15 U.S.C. 80a–15(c)) is amended by adding at the end the following new sentence: ''The Commission, by rule, regulation, or order, may exempt a registered investment company subject to this subsection from the requirement that the votes of its directors be cast at a meeting in person when such a requirement is impracticable, subject to such conditions as the Commission may require.''.

SEC. 109. PROXY VOTING DISCLOSURE.

Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a–29) is amended by adding at the end the following new subsection:

''(k) PROXY VOTING DISCLOSURE.—Every registered management investment company, other than a small business investment company, shall file with the Commission not later than August 31 of each year an annual report, on a form prescribed by the Commission by rule, containing the registrant's proxy voting record for the most recent twelve-month period ending on June 30. The financial statements of every such company shall state that information regarding how the company voted proxies relating to portfolio securities during the most recent 12-month period ending on June 30 is available—

''(1) without charge, upon request, by calling a specified toll-free (or collect) telephone number; or on or through the company's website at a specified Internet address; or both; and

''(2) on the Commission's website.''.

SEC. 110. INCENTIVE COMPENSATION AND MUTUAL FUND SALES.

(a) COMMISSION RULE REQUIRED.—Within 270 days after the date of enactment of this Act, the Commission shall by rule prohibit, as a means reasonably designed to prevent fraudulent, deceptive, or manipulative acts and practices, the sale of the securities of an investment company or of municipal fund securities by a broker or dealer or by a municipal securities broker or dealer without the disclosure of—

(1) the amount and source of sales fees, payments by persons other than the investment company that are intended to facilitate the sale and distribution of the securities, and commissions for effecting portfolio securities transactions, or other payments, paid to such broker or dealer, or municipal securities broker or dealer, or associated person thereof in connection with such sale;

(2) any commission or other fees or charges the investor has paid or will or might be subject to, including as a result of purchases or redemptions;

(3) any conflicts of interest that any associated person of the investor's broker or dealer or municipal securities broker or dealer may face due to the receipt of differential compensation in connection with such sale; and

(4) information about the estimated amount of any asset-based distribution expenses incurred, or to be incurred, by the investment company in connection with the investor's purchase of the securities.

(b) BENCHMARKS.—In connection with the rule required by subsection (a), the Commission shall, to the extent practical, establish standards for such disclosures.

(c) DEFINITIONS.—

(1) DIFFERENTIAL COMPENSATION.—For purposes of this section, an associated person of

a broker or dealer shall be considered to receive differential compensation if such person receives any increased or additional remuneration, in whatever form—

(A) for sales of the securities of an investment company or municipal fund security that is affiliated with, or otherwise specifically designated by, such broker or dealer or municipal securities broker or dealer, as compared with the remuneration for sales of securities of an investment company or municipal fund security offered by such broker or dealer or municipal securities broker or dealer that are not so affiliated or designated; or

(B) for the sale of any class of securities of an investment company or municipal fund security as compared with the remuneration for the sale of a class of securities of such investment company or municipal fund security (offered by such broker or dealer or municipal securities broker or dealer) that charges a sales load (as defined in section 2(a)(35) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(35)) only at the time of such a sale.

(2) MUNICIPAL FUND SECURITY.—For purposes of this section, a municipal fund security is any municipal security issued by an issuer that, but for the application of section 2(b) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(b)), would constitute an investment company within the meaning of section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3).

SEC. 111. COMMISSION STUDY AND REPORT REGULATING SOFT DOLLAR ARRANGEMENTS.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—The Commission shall conduct a study of the use of soft dollar arrangements by investment advisers as contemplated by section 28(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(e)).

(2) AREAS OF CONSIDERATION.—The study required by this section shall examine—

(A) the trends in the average amounts of soft dollar commissions paid by investment advisers and investment companies in the past 3 years;

(B) the types of services provided through soft dollar arrangements;

(C) the benefits and disadvantages of the use of soft dollars for investors, including the extent to which use of soft dollar arrangements affects the ability of mutual fund investors to evaluate and compare the expenses of different mutual funds;

(D) the potential or actual conflicts of interest (or both potential and actual conflicts) created by soft dollar arrangements, including whether certain potential conflicts are being managed effectively by other laws and regulations specifically addressing those situations, the role of the board of directors in managing these potential or actual (or both) conflicts, and the effectiveness of the board in this capacity;

(E) the transparency of such soft dollar arrangements to investment company shareholders and investment advisory clients of investment advisers, the extent to which enhanced disclosure is necessary or appropriate to enable investors to better understand the impact of these arrangements, and an assessment of whether the cost of any enhanced disclosure or other regulatory change would result in benefits to the investor; and

(F) whether such section 28(e) should be modified, and whether other regulatory or legislative changes should be considered and adopted to benefit investors.

(b) REPORT REQUIRED.—The Commission shall submit a report on the study required by subsection (a) to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, no later than one year after the date of enactment of this Act.

SEC. 112. STUDY OF ARBITRATION CLAIMS.

(a) STUDY REQUIRED.—The Securities and Exchange Commission shall conduct a study of the increased rate of arbitration claims and decisions involving mutual funds since 1995 for the purposes of identifying trends in arbitration claim rates and, if applicable, the causes of such increased rates and the means to avert such causes.

(b) REPORT.—The Securities and Exchange Commission shall submit a report on the study required by subsection (a) to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not later than one year after the date of enactment of this Act.

TITLE II—PREVENTION OF ABUSIVE MUTUAL FUND PRACTICES

SEC. 201. PREVENTION OF FRAUD; INTERNAL COMPLIANCE AND CONTROL PROCEDURES.

(a) AMENDMENT.—Subsection (j) of section 17 of the Investment Company Act of 1940 (15 U.S.C. 80a–17(j)) is amended to read as follows:

''(j) DETECTION AND PREVENTION OF FRAUD.—

''(1) COMMISSION RULES TO PROHIBIT FRAUD, DECEPTION, AND MANIPULATION.—It shall be unlawful for any affiliated person of or principal underwriter for a registered investment company or any affiliated person of an investment adviser of or principal underwriter for a registered investment company, to engage in any act, practice, or course of business in connection with the purchase or sale, directly or indirectly, by such person of any security held or to be acquired by such registered investment company, or any security issued by such registered investment company or by an affiliated registered investment company, in contravention of such rules and regulations as the Commission may adopt to define, and prescribe means reasonably necessary to prevent, such acts, practices, or courses of business as are fraudulent, deceptive or manipulative.

''(2) CODES OF ETHICS.—Such rules and regulations shall include requirements for the adoption of codes of ethics by registered investment companies and investment advisers of, and principal underwriters for, such investment companies establishing such standards as are reasonably necessary to prevent such acts, practices, or courses of business. Such rules and regulations shall require each such registered investment company to disclose such codes of ethics (and any changes therein) in the periodic report to shareholders of such company, and to disclose such code of ethics and any waivers and material violations thereof on a readily accessible electronic public information facility of such company and in such additional form and manner as the Commission shall require by rule or regulation.

''(3) ADDITIONAL COMPLIANCE PROCEDURES.—Such rules and regulations shall—

''(A) require each investment company and investment adviser registered with the Commission to adopt and implement policies and procedures reasonably designed to prevent violation of the Securities Act of 1933 (15 U.S.C. 78a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201 et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b et seq.), the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), subchapter II of chapter 53 of title 31, United States Code, chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.), or section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

''(B) require each such company and adviser to review such policies and procedures annually for their adequacy and the effectiveness of their implementation;

''(C) require each such company to appoint a chief compliance officer to be responsible for overseeing such policies and procedures—

''(i) whose compensation shall be approved by the members of the board of directors of the company who are not interested persons of such company;

''(ii) who shall report directly to the members of the board of directors of the company who are not interested persons of such company, privately as such members request, but no less frequently than annually; and

''(iii) whose report to such members shall include any violations or waivers of, and any other significant issues arising under, such policies and procedures; and

''(D) require each such company to establish policies and procedures reasonably designed to protect any officer, director, employee, contractor, subcontractor, or agent of such company from retaliation, including discharge, demotion, suspension, harassment, or any other manner of discrimination in the terms and conditions of employment, because of any lawful act done by such officer, director, employee, contractor, subcontractor, or agent to provide information, cause information to be provided, or otherwise assist in an investigation that relates to any conduct which such officer, director, employee, contractor, subcontractor, or agent reasonably believes constitutes a violation of the securities laws or the code of ethics of such investment company.

''(4) SELF-CERTIFICATION.—Such rules and regulations shall require the members of the board of directors who are not interested persons of each registered open-end investment company to certify, in the periodic report to shareholders, or other appropriate disclosure document, that—

''(A) procedures are in place for verifying that the determination of current net asset value of any redeemable security issued by the company used in computing periodically the current price for the purpose of purchase, redemption, and sale complies with the requirements of the Investment Company Act of 1940 and the rules and regulations thereunder, and the company is in compliance with such procedures;

''(B) procedures are in place for the oversight of the flow of funds into and out of the securities of the company, and the company is in compliance with such procedures;

''(C) procedures are in place to ensure that investors are receiving any applicable discounts on front-end sales loads that are disclosed in the company's prospectus;

''(D) procedures are in place to ensure that, if the company's shares are offered as different classes of shares, such classes are designed in the interests of investors, and could reasonably be an appropriate investment option for an investor;

''(E) procedures are in place to ensure that information about the company's portfolio securities is not disclosed in violation of the securities laws or the company's code of ethics;

''(F) the members of the board of directors who are not interested persons of the company have reviewed and approved the compensation of the company's portfolio manager in connection with their consideration of the investment advisory contract under section 15(c);

''(G) the company has established and enforces a code of ethics as required by paragraph (2) of this subsection; and

''(H) the company is in compliance with the additional requirements of paragraph (3) of this subsection.''.

(b) DEADLINE FOR RULES.—The Securities and Exchange Commission shall prescribe rules to implement the amendment made by subsection (a) of this section within 90 days after the date of enactment of this Act.

SEC. 202. BAN ON JOINT MANAGEMENT OF MUTUAL FUNDS AND HEDGE FUNDS.

(a) AMENDMENT.—Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a-15) is further amended by adding at the end the following new subsection:

''(h) BAN ON JOINT MANAGEMENT OF MUTUAL FUNDS AND HEDGE FUNDS.—

''(1) PROHIBITION OF JOINT MANAGEMENT.—It shall be unlawful for any individual to serve or act as the portfolio manager or investment adviser of a registered open-end investment company if such individual also serves or acts as the portfolio manager or investment adviser of an investment company that is not registered or of such other categories of companies as the Commission shall prescribe by rule in order to prohibit conflicts of interest, such as conflicts in the selection of the portfolio securities.

''(2) EXCEPTIONS.—Notwithstanding paragraph (1), the Commission may, by rule, regulation, or order, permit joint management by a portfolio manager in exceptional circumstances when necessary to protect the interest of investors, provided that such rule, regulation, or order requires—

''(A) enhanced disclosure by the registered open-end investment company to investors of any conflicts of interest raised by such joint management; and

''(B) fair and equitable policies and procedures for the allocation of securities to the portfolios of the jointly managed companies, and certification by the members of the board of directors who are not interested persons of such registered open-end investment company, in the periodic report to shareholders, or other appropriate disclosure document, that such policies and procedures of such company are fair and equitable.

''(3) DEFINITION.—For purposes of this subsection, the term 'portfolio manager' means the individual or individuals who are designated as responsible for decision-making in connection with the securities purchased and sold on behalf of a registered open-end investment company, but shall not include individuals who participate only in making research recommendations or executing transactions on behalf of such company.''.

(b) DEADLINE FOR RULES.—The Securities and Exchange Commission shall prescribe rules to implement the amendment made by subsection (a) of this section within 90 days after the date of enactment of this Act.

SEC. 203. SHORT TERM TRADING BY INTERESTED PERSONS PROHIBITED.

(a) SHORT TERM TRADING PROHIBITED.—Section 17 of the Investment Company Act of 1940 (15 U.S.C. 80a–17) is further amended by adding at the end the following new subsection:

''(k) SHORT TERM TRADING PROHIBITED.—It shall be unlawful for any officer, director, partner, or employee of a registered investment company, any affiliated person, investment adviser, or principal underwriter of such company, or any officer, director, partner, or employee of such an affiliated person, investment adviser, or principal underwriter, to engage in short-term transactions, as such term is defined by the Commission by rule, in any securities of which such company, or any affiliate of such company, is the issuer, except that this subsection shall not prohibit transactions in money market funds, other funds the investment policy of which expressly permits short-term transactions, or such other categories of registered investment companies as the Commission shall specify by rule.''.

(b) INCREASED REDEMPTION FEES PERMITTED FOR SHORT TERM TRADING.—Within 90 days after the date of enactment of this Act, the Securities and Exchange Commission shall revise rule 11a–3 of its rules under the Investment Company Act of 1940 (17 CFR 270.11a–30), or other rules of the Commission, as necessary to permit an investment company to charge redemption fees in excess of 2 percent upon the redemption of any securities of such company that are redeemed within such period after their purchase as the Commission specifies in such rule to prevent short term trading that is unfair to the shareholders of such company.

(c) DEADLINE FOR RULES.—The Securities and Exchange Commission shall prescribe rules to implement the amendment made by subsection (a) of this section within 90 days after the date of enactment of this Act.

SEC. 204. ELIMINATION OF STALE PRICES.

Within 90 days after the date of enactment of this Act, the Securities and Exchange Commission shall prescribe, by rule or regulation, standards concerning the obligation of registered open-end investment companies under the Investment Company Act of 1940 to apply and use fair value methods of determination of net asset value when market quotations are unavailable or do not accurately reflect the fair market value of the companies' portfolio securities, in order to prevent dilution of the interests of long-term investors or as necessary in the other interests of investors. Such rule or regulation shall identify, in addition to significant events, the conditions or circumstances from which such obligation will arise, such as the need to value securities traded on foreign exchanges, and the methods by which fair value methods shall be applied in such events, conditions, and circumstances.

SEC. 205. PREVENTION OF UNFAIR AFTER-HOURS TRADING.

(a) ADDITIONAL RULES REQUIRED.—Within 90 days after the date of enactment of this Act, the Securities and Exchange Commission shall issue rules to prevent transactions in the securities of any registered open-end investment company in violation of section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a-22), including after-hours trades that are executed at a price based on a net asset value that was determined as of a time prior to the actual execution of the transaction.

(b) TRADES COLLECTED BY INTERMEDIARIES.—Such rules shall permit execution of such after-hours trades that are provided to the registered open-end investment company by a broker-dealer, retirement plan administrator, or other intermediary, after the time as of which such net asset value was determined, if such trades are collected by such intermediaries subject to procedures that are—

(1) designed to prevent the acceptance of trades by such intermediaries after the time as of which net asset value was determined; and

(2) subject to an independent annual audit to verify that the procedures do not permit the acceptance of trades after the time as of which such net asset value was determined.

(c) INDEPENDENTLY MAINTAINED SYSTEMS.—Such rules shall permit firms that utilize computer systems and procedures provided by unaffiliated entities to collect transactions to satisfy the independent audit requirements under subsection (b)(2) by means of an independent audit obtained by such unaffiliated entity.

SEC. 206. REPORT ON ADEQUACY OF REMEDIAL ACTIONS.

(a) REPORT REQUIRED.—Within 180 days of enactment, the Securities and Exchange Commission shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on market timing and late trading of mutual funds.

(b) REQUIRED CONTENTS OF REPORT.—The report required by this section shall include the following:

(1) The economic harm of market timing and late trading of mutual fund shares on long-term mutual fund shareholders.

(2) The findings by the Commission's Office of Compliance, Inspections and Examinations, and the actions taken by the Commission's Division of Enforcement, regarding—

(A) illegal late trading practices;

(B) illegal market timing practices; and

(C) market timing practices that are not in violation of prospectus disclosures.

(3) When the Commission became aware that the use of market timing practices was harming long-term shareholders, and the circumstances surrounding the Commission's discovery of that activity.

(4) The steps the Commission has taken since becoming aware of market timing practices to protect long-term mutual fund investors.

(5) Any additional legislative or regulatory action that is necessary to protect long-term mutual fund shareholders against the detrimental effects of late trading and market timing practices.

The SPEAKER pro tempore (Mr. SIMMONS). Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Pennsylvania (Mr. KANJORSKI) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I stood on this floor last year and spoke of the need to reform and improve the accounting profession, financial reporting, corporate governance, and Wall Street research practices. Congress responded admirably by passing the Sarbanes-Oxley Act which has proved successful in improving the transparency of financial statements and stemming the alarming rate of corporate fraud.

Now, we necessarily turn our focus to mutual funds. We are in the midst of what one former SEC chairman calls the ''biggest financial scandal of the past 50 years.'' An industry representative has lamented the ''shocking betrayal of trust.'' Indeed, the scandals are deeply troubling for a host of reasons.

First, we have become a Nation of investors, 95 million strong, and the investment vehicles of choice are mutual funds. It is imperative that Congress ensures that these investors, representing 54 million households, are protected.

Second, the nature of the misconduct by trusted fiduciaries, fund executives, directors, and portfolio managers is especially egregious. Secret deals were reached to provide special trading privileges to large, preferred customers. Fund managers and executives were caught market-timing their own funds, and fund directors were found asleep at the switch.

Third, the mutual fund fraud is widespread. We are not talking about the actions of a few boiler room operations; we are talking about pervasive financial fraud by all segments of the fund industry, including the most trusted companies.

Finally, the regulators charged with investor protection failed to detect or deter improper and illegal practices which have apparently been occurring for a number of years. It is inexcusable that these activities were not uncovered until this year.

Long before the current scandal came to light, the Committee on Financial Services has called for reform. I am proud of the work of my colleagues, particularly the gentleman from Louisiana (Mr. BAKER), chairman of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises. The gentleman from Louisiana (Chairman BAKER) held oversight and legislative hearings long before it was fashionable to scrutinize the fund industry. He and I shepherded this legislation through the committee in July, but not without some resistance.

The legislation before the House today, the Mutual Funds Integrity and Fee Transparency Act, is a comprehensive reform package which contains numerous provisions to aid investors.

I will not go into all of the details but, importantly, it will provide for greater transparency of fund fees, costs, expenses, and operations so that investors can make better informed decisions and help market forces to drive fees down for fund investors. It will strengthen fund management, particularly the board's independent directors, and it will curb the trading abuses which have recently been revealed.

We know there are some who believe this legislation goes too far; there are some who think it does not go far enough. To those people, I would say that we have achieved a good balance here. It is proinvestor, it is tough, but it does not regulate for regulation's sake.

Again, I would like to commend the gentleman from Louisiana (Mr. BAKER) for his outstanding leadership on these issues and for crafting a fine piece of legislation. He was ahead of the curve yet again.

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

Mr. KANJORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with approximately 95 million investors and $7 trillion in assets, mutual funds constitute a major component of our securities industry. Mutual funds became a dominant force in our capital markets because they have democratized investing for millions of average Americans, greatly facilitating their ability to acquire a diversified portfolio. Before September, many authorities and experts had also generally extolled the reliability and integrity of the industry.

During the last 2 months, however, we have learned of alleged and actual instances of wrongdoing at more than a dozen mutual fund families with more than $2.5 trillion in assets under management. The most serious transgressions brought to light so far have involved market timing abuses, late trading, and preferential portfolio disclosures to industry insiders.

The current evidence also suggests that additional announcements of misconduct in the mutual fund industry will continue to proliferate in the months ahead. A recent survey by the Securities and Exchange Commission found that 30 percent of responding broker-dealers assisted market timers in some way. It also revealed that more than 25 percent of answering broker-dealers reported that customers had placed or confirmed mutual fund orders after the market closed and received the preferential closing price.

These misdeeds and findings have caused great and considerable concern for average American investors who had placed their trust and hard-earned savings in accounts at mutual fund companies. The widening investigation by State and Federal authorities has also resulted in a reevaluation of the mutual fund industry's business practices and regulatory oversight.

These budding inquiries have caused me considerable unease as well. It is completely and absolutely unacceptable for securities professionals, who have an obligation to serve the best interests of their customers, to place their own interests first and to provide preferential treatment to selected insiders. In my view, we have an obligation to American investors to monitor these developments and take action to prevent further abuses.

Before news of the mutual fund industry scandals broke in September, the Committee on Financial Services approved a mutual fund reform bill by a voice vote. In general, H.R. 2420 seeks to enhance the disclosures of the mutual fund fees and costs to investors, improve corporate governance for mutual funds, and heighten the awareness of boards about mutual funds activities.

A manager's amendment attached today to H.R. 2420 makes several additions to the reported bill. Several of these changes address the recently discovered problems in the mutual fund industry. For example, the bill will now allow for an increase in redemption fees to reduce the ability of market timers to profit from their transactions. The bill also now requires the Commission to act to strengthen audit trails to guard against late trading.

Although each of these modifications generally improve H.R. 2420, I remain concerned that we may have rushed to judgment in these matters. The manager's amendment would have benefited from a more thorough vetting by the Securities and Exchange Commission, State regulators, and other experts. We should have made technical improvements to the bill to ensure its workability.

We also have missed an opportunity to consider other worthy reform ideas. We could have created a system to better protect mutual fund investors against fraud by expanding fidelity bonding requirements. We could have additionally required mutual fund managers to make the same disclosures about their personal transactions that we already mandate senior corporate executives to make.

The Investment Company Act further requires that mutual funds be organized and operated in the best interests of shareholders. We, therefore, could have considered adding legislative language to establish a fiduciary responsibility of mutual fund boards to ensure that funds are also organized and operated in such a way. Finally, we might have worked to heighten the scrutiny of the joint management of mutual funds and hedge funds within the same investment company to prevent conflicts of interest.

Mr. Speaker, I am particularly disappointed that H.R. 2420 does not include any of the regulatory enhancements that the Securities and Exchange Commission specifically requested earlier this year and that are contained in H.R. 2179, the Securities Fraud Deterrence and Investor Restitution Act. These proposals would increase the level of fines the Commission may impose against wrongdoers, improve its ability to return money to swindled investors, and enhance the agency's enforcement authorities.

Each of these administrative proposals would protect mutual fund investors more immediately and more effectively than the bill we are now considering. Fortunately, the Senate has an opportunity to review these worthy ideas and adopt a more comprehensive, stronger, and refined mutual fund bill when it considers these matters next year.

That said, we need to advance the legislative process today so that we can eventually better protect average investors from further transgressions by unscrupulous and unprincipled participants in the mutual fund industry. Although imperfect, H.R. 2420 takes some steps to restore accountability and reestablish investor trust. We should, therefore, approve the bill.

In closing, Mr. Speaker, mutual funds have successfully worked to help millions of middle-class Americans to successfully save for an early retirement, purchase a vacation home, afford a dream vacation, pay for a college education, or cover medical bills or other needs. We need to ensure that

this success continues. I encourage my colleagues to adopt this bill.

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

Mr. OXLEY. Mr. Speaker, I am pleased to yield 6 minutes to the gentleman from Louisiana (Mr. BAKER), the chairman of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.

Mr. BAKER. Mr. Speaker, I thank the gentleman for yielding me this time. I certainly want to start by commending the chairman for his leadership on this important issue. He has been committed to the principle of getting it right, not getting it done fast, and I think his long-suffering patience on this issue is to be highly commended, for we have learned much, unfortunately, over the last weeks and months.

When the committee first began its work almost 2 years ago with an examination of mutual fund industry performance, it was with an eye toward whether or not investors truly understood the costs associated with investing in a particular fund, whether disclosures were adequate, and whether the markets were functioning in a fair manner.

Well, only a few months later, the door to scandal not only opened a bit, it blew wide open. There were not just minor aberrations of some arcane accounting misrepresentation, but intentional acts clearly in violation of the statutory provisions.

In one instance, there was a union where certain selected union members were engaging in a practice known as late trading. This resulted in their fellow union brotherhood being disenfranchised. It became so prevalent that the house where these trades were executed began to call that time of day the ''boilermaker hour.'' Our systems of checks and balances had broken. It was a system of checks: you write me one, I will write you one.

Clearly, the principle on which a fair, functioning capital market must operate would require professionals never to set aside their fiduciary duties for the sake of personal gain. Unfortunately, it was happening.

So how do we ensure that that is the principle that guides market performance? It is not easy, but I think H.R. 2420 is a very important beginning. Full disclosure of all fees, full disclosure of what are known as ''soft dollar'' transactions, full disclosure of where the portfolio managers themselves invest their own funds and what they are paid at the expense of shareholders.

The bill goes a long way, and I would join with some in saying perhaps we have not gone far enough.

Let me digress with regard to the description of a mutual fund and a mutual fund management company. Mutual funds are organizations into which working families write their checks and send their money. They have a board which then hires a mutual fund management company, an operating company, a for-profit company, a company driven by the goal to make as much money as they can through the mutual fund.

□ 1215

Nothing wrong with that. But the board is constructed of members who may well be the executives of the management company. So the people who are making the judgments about whether to hire management company A or management B are themselves employees of that company. Imagine how hard it must be to fire one's self in that instance. That is why I think it very important for us to engage in not only the bill's proposed two-thirds required membership be independent, but that the chairman himself be independent of that significant conflict.

And I would like to read from testimony of Chairman Donaldson, chairman of the SEC, just yesterday in response to a question in the Senate: ''I think the board chairman should be totally independent. And I think the further you go toward a totally independent board, the better. The matter seems to be closed.''

And as we proceed with consideration of this legislation through conference, I certainly will renew my effort to see that that particular provision is included. The bill does a great deal more, but I think it is not the end of the process.

We in the Congress have an obligation with 95 million Americans and over half of all households now directly invested in the marketplace to ensure there is a fair and balanced functioning market. We must have the investing facts clearly disclosed. We must have rules that are clearly understood, trades engaged in by professionals who hold themselves to the highest standards of fiduciary duty.

We must have, above all, the standard adopted where fiduciary principles never are set aside for personal gain and all the rules will be applied equitably to all investors. We do, in fact, have the broadest, deepest, most successful capital markets of any time in world history, but we cannot deviate from these principles.

The passage of H.R. 2420 will ensure we begin to return to that path, never again to deviate from that responsibility.

Mr. Speaker, I would like to ask the chair of the Committee on Financial Services, the gentleman from Ohio (Mr. OXLEY), if the gentleman would like to express his opinion with regard to the appropriateness of further consideration of the independent chair and a provision being adopted, if possible, in conference at a later time in the consideration of this legislation.

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Speaker, I thank the gentleman for his continued leadership and tenacity on this issue. A few of us were kind of isolated and lonely when this whole issue began. And I suspect that we are now seeing the fruits of your efforts in taking on this difficult issue.

And I would say that based on the testimony that Chairman Donaldson gave to the other body just yesterday it is pretty clear that the SEC not only supports our efforts but would indeed support an independent chair. So from that standpoint, obviously, this is the beginning of the process, not the end. And to that end, obviously we will consider other measures going forward.

But I think, clearly, as the gentleman pointed out, this is an excellent bill that deals with some of the real abuses that have been out there in the public eye for the last several months. And this is how our process works. As you know, very much like what ended up as Sarbanes-Oxley, this is the House's ability to get our hands around this issue and show that the Members of the House are quite concerned about these burgeoning scandals and are not willing to sit back and allow this to happen on our watch.

Mr. BAKER. Mr. Speaker, I thank the chairman for his leadership.

Mr. KANJORSKI. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. FRANK), the ranking member of the Committee on Financial Services, who has been instrumental in working with me on this bill on our side of the aisle.

Mr. FRANK of Massachusetts. Mr. Speaker, the gentleman from Pennsylvania (Mr. KANJORSKI) has played a very important role in this. I am glad to be here in support of his efforts. I agree that this is a bill that is a good set of steps forward, it is more than a first step, but it is not everything that we should be doing. It is useful to do it now.

I have spoken with the Attorney General of New York, Mr. Spitzer, the Secretary of the Commonwealth of Massachusetts, Mr. Galvin. They have further ideas about how we can improve the protection of the investing public. The gentleman from Pennsylvania (Mr. KANJORSKI) himself has some ideas. So I am glad we are moving. And I appreciate the fact we do not end when we adjourn for the year this legislative process; we will resume it next year and be in conference with the Senate bill, and maybe even ourselves pass some other legislation in this regard.

But I want to address two other aspects of this issue. It is important that we legislate. It is also important that we fully empower those who are charged with investigation and enforcement. We are the legislative branch. We set the policy. But we are not able to carry it out. What is important is that those entities that are empowered to carry it out be allowed to do that. Now, a number of people have noted today on that.

We have learned recently some disturbing facts about the mutual fund industry. It should be clear that we

learned them primarily from two State regulators, the Attorney General of New York and the Secretary of the Commonwealth of Massachusetts. And I am proud to say, Mr. Speaker, that on our side of the aisle we take pride in that because there were efforts to impinge on their ability to do this work.

And I am very pleased that our resistance to any effort to diminish the role played by State regulators in the securities field has been vindicated. If, in fact, the Attorney General of New York, the Secretary of the Commonwealth of Massachusetts, and some other regulators did not have the incentive, the tools, the ability fully to investigate, we would not know today what we know.

In addition, we have had the problem that the SEC has said, well, there were some limits in terms of funding. A year ago back to 2001, my predecessor as ranking member, the very able gentleman from New York, Mr. JOHN LaFalce, when we were asked to raise SEC fees, he led our side in saying, let us make sure a lot of that goes to the SEC to increase their budget. And there was resistance. Even after the corporate reform bill last year, the Sarbanes-Oxley bill, was passed, we as a Congress did not initially give the SEC the money they needed to enforce that.

Now, my colleague, the gentleman from Pennsylvania (Mr. KANJORSKI), has correctly pointed out we regret the fact that we have not also passed 2179, the SEC enforcement bill, giving the SEC more powers that they have asked for, including some that would specifically enhance their ability to levy fines against mutual fund companies. Parts of that bill specifically deal with the power to penalize mutual fund companies under those acts. But in addition to the additional powers, we need to give them more people. And we did fight, beginning late last year on into early this year; finally the Congress agreed to give the SEC the amount of money that they needed for Sarbanes-Oxley, but there is, of course, a time lag between getting the money and being able to spend it.

Now, both sides agreed to give the SEC flexibility in hiring, and we gave them that. But we ought to note that by the time we were to persuade this Congress to give the SEC adequate funds, they tell us they did not have time to spend it. So, ironically, the SEC had to give back some money this year, over $100 million. But they have told us that that does not mean that that level was too high, only that they did not get it in time to spend it, over our objections.

We now, I think, should go forward and have a situation where State regulators and the SEC are fully funded and fully empowered to do their job.

Mr. OXLEY. Mr. Speaker, I yield 3½ minutes to the gentleman from Delaware (Mr. CASTLE), distinguished member of the committee.

Mr. CASTLE. Mr. Speaker, I thank the chairman, not just for yielding to me, but for the great work that he and the gentleman from Louisiana (Mr. BAKER) have done on this and also the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from Massachusetts (Mr. FRANK). I think it truly has been a team effort for both parties getting together to try to address the problem. Maybe we are not as far as I would like to be, as perhaps some others would like to be, but I think we started to move in the right direction. For that I am very pleased.

Mr. Speaker, I will submit a statement here that supports H.R. 2420 and goes through the details of some of the reasons for that. But I would like to take my time before us today just to discuss what I consider to be the breadth and extent of this problem and what we have to do.

It is very interesting because 2 decades ago only 6 percent of American households had mutual funds, and the total was supposedly $134 billion. Today one-half of all American families are involved in mutual funds in some way or another, probably do not even know they are. They are in their 401(k) plans or another retirement plan or something of that nature. It involves $7 trillion of money.

This, of all these issues we have talked about, probably involves more Americans in a financial sense than anything else we ever had before our committee or before the Congress of the United States of America. It represents 10 percent of all the financial assets of the United States of America. To suggest that this is not overwhelmingly important, in my judgment, would be wrong.

It is amazing to me that just 6 months ago the mutual fund industry was making statements as they were looking at the banking industry and the corporate problems and everything else that they are the only ones with an unblemished record. Nobody knew. Nobody at the State level, nobody at the Federal level knew what was going on. And while we can talk about the SEC now, I would like to know where the SEC was a year ago, 3 years ago, 5 years ago, 10 years ago, or whatever it may be, why was somebody not looking at some of these problems, which are relatively self-evident when you really examine it closely if you understand the details of how mutual funds work.

I would hope that those kinds of people have been working at the SEC under Republicans and Democrats. And I am afraid to say that has not been the case so far. And, frankly, I think we all need to be critical of that.

Should we move quickly on this? And I understand what Mr. Greenspan and Secretary Snow and others have said about, well, we need to take our time. Well, I do not disagree completely because you want to do it correctly; but on the other hand I think we need to move as quickly as possible. There has been a recognized problem, and we need to do something about it. And quite frankly, I am delighted that this bill is on the floor today and our leaders have come forward and said we need to move forward. Maybe they will do something somewhat differently in the Senate, but hopefully they will do something and hopefully we will have something which we can hold out to the American public as evidence that we are moving in the right direction as far as mutual funds are concerned.

On the old issue of who should regulate, where we should be, I give credit to the States. I think they have done a wonderful job, particularly in New York and Massachusetts, and perhaps other States in coming forward and revealing some the problems. Frankly, I am not sure where the SEC would be today, I am not sure where we would be today if that had not happened. Yes, there are jurisdictional issues, but for the most part I think they deserve a great deal of credit as far as all of that is concerned.

The SEC, according to Stephen Cutler, has examined the records of 88 of these mutual funds, and they found problems with a great percentage of them. And they have found in the case of 30 percent of them that they have had market-timing problems. Virtually half of these funds have had problems one way or another in the area in which we are trying to deal. That just shows me how rapidly we have to move and what we have to do.

So I give credit to everybody for the hearings, for the legislation, and what we are doing today because, frankly, I think you are going to start to see some changes. I think a lot of it is going to be because of this legislation which we are considering today and all that has led up to it.

Mr. Speaker, I rise today in support of H.R. 2420, the ''Mutual Funds Integrity and Fee Transparency Act of 2003.'' I commend Chairman OXLEY and Subcommittee Chairman BAKER for continuing your work in protecting American investors and I am proud to play a role in addressing the problems in the mutual fund industry. Hearings in the Financial Services Committee have enabled us to address a number of ongoing reforms that are necessary for the mutual fund industry to increase transparency for investors. From these hearings we have also learned of additional problems within the mutual fund industry that have only recently come to light such as improper trading practices. We have improved this legislation by incorporating all of the issues and I am proud of the legislation we passed out of committee with strong bipartisan support.

The average American family chooses to invest in mutual funds. I want to make clear what is at stake. Two decades ago, only 6 percent of American households had mutual fund shares valued at $134 billion. Today, half of all American families have $7 trillion at stake. Mutual funds represent about 10 percent of the total financial assets of the U.S. population. The number of funds have grown from less than 500 mutual funds in 1980 to approximately 8,000 mutual funds today.

Just 6 months ago the mutual fund industry was boasting of its unblemished record. It concerns me that the scandals we have learned of in recent weeks may only be the tip of the

iceberg. This should be a wake-up call to both the Securities and Exchange Commission (SEC) and the industry that change is needed. Mutual funds are a $7 trillion industry, and with more than 50 percent of the American public invested in mutual funds there is the potential for investors to be hurt more so by these recent revelations than even the WorldCom and Enron scandals. I am not downplaying the problems that were in play there, but I feel this issue is further-reaching and could impact a greater number of investors in the long run. Some in the industry have stated market timing was an open practice; furthermore, some funds have even stated they participated in market timing on a limited level with clients to allow controversial trading as a way to control the improper practice. This bothers me. Favoritism to big investors and violating ethical and legal codes rob the average investor who depends on their investments for costs such as education and retirement. There is a lot at stake, and the reforms addressed in this legislation will help prevent future investor betrayals. This bill addresses the recent market scandals and makes additional necessary reforms to the mutual fund industry, and I would like to highlight just a few.

First, to address recent scandals in the mutual fund industry, the manager's amendment will explicitly ban short-term trading by fund insiders and permit funds to charge more than the current maximum 2 percent redemption fee to discourage all market timers. Second, to prevent market timing trades, made possible by stale pricing, the manager's amendment directs the SEC to clarify rules regarding mutual funds' obligation to apply fair value pricing. Third, the manager' amendment also addresses late trading. Late trading is not only an improper advantage for large fund investors, it is illegal. Late trading has allowed some big fund investors to take advantage of the current day's price on orders to buy or sell shares placed after the close of the New York markets, when proper procedure would be to carry out the orders at the following day's price. Some have likened this practice to ''betting today on yesterday's horse race.'' The manager's amendment directs the SEC to issue rules to prevent late trading without disadvantaging those investors who use financial intermediaries such as broker-dealers and 401(k) and pension plan administrators to purchase fund shares.

Fourth, this legislation rightly increases the requirement of independent board members from one-half to two-thirds of total board membership and strengthens independence qualifications. A greater number of independent directors will increase protections of investors' interests against those of directors whose interests are tied to the success of their funds' advisers. Fifth, the bill requires disclosure of brokers' conflicts of interest where they are paid incentives to promote particular funds, so that investors can weigh sales incentives.

Finally, I am concerned about fees that mutual fund investors face. I understand that mutual fund companies feel there is a need for certain fees, but these fees must be transparent to investors. In many cases investors choose ''no-load'' funds for their no-fee structure, but hidden fees such as 12-(b)-1 fees are often charged. I am pleased this legislation would prohibit a fund from advertising as a ''no-load'' fund if in fact the 12-(b)-1 fee is charged. Furthermore, in an effort to enhance transparency of fees, the bill requires that mutual funds disclose fees, in dollar amounts, on a hypothetical $1,000 investment, and further requires that this information not be buried in a prospectus.

Mr. Speaker, the House Financial Services Committee and Congress acted in the wake of the Enron and WorldCom scandals to protect investors. Today we are again being called on to protect the average American investor, and I urge my colleagues on both sides of the aisle to join me in supporting this important and very necessary legislation.

Mr. KANJORSKI. Mr. Speaker, I yield 2½ minutes to the gentleman from North Carolina (Mr. MILLER).

Mr. MILLER of North Carolina. Mr. Speaker, mutual funds are how America's middle class saves. It is how young couples save for their first home. It is how middle class families save for their children's education, for their children's college, and for retirement. It is how the middle class families save for a rainy day, to provide against life's harsh uncertainties.

It is infuriating that some mutual fund managers have taken advantage of those families. It is even more infuriating that they have such disrespect for the middle class families who trusted them with their life savings. They seem to see America's middle class as rubes or hicks, not as the very people who make this Nation work.

This legislation is a beginning, and I am pleased that no one today has described it as the end. But I certainly hope that when the Senate considers the regulation of the mutual fund industry next year they will pause to consider other reform proposals which others today have spoken of. The gentleman from Pennsylvania (Mr. KANJORSKI) has already spoken of such proposals, and I know that the gentleman from Illinois (Mr. EMANUEL) will in just a moment.

I certainly hope that we will urge that the Senate consider measures to assure that the welfare of the funds' investors, not the funds' managers, is the guiding principle to how the funds are governed. The funds need truly independent directors who know the industry, will ask tough questions, and will exercise independent judgment, not just go along with the funds' managers.

We should consider requiring that there be a single lead independent director, focused responsibility with the authority to hire outside experts, to call meetings of the board, and to place items on the board's agenda.

Finally, we should require a clear fiduciary duty by the managers of the fund to the investors in the fund.

Mr. Speaker, there may be reasons to address the same concerns in different ways or, perhaps, even to leave well enough alone. But as long as some funds are not governed for the benefit of the investors, we will likely be dealing with one new fund management practice after another, each designed to separate the middle class from more and more of its life savings.

I will vote for this bill today; but I hope the Senate, with the luxury of time next year, will look closely to make sure that we have done enough to protect America's middle class. They work hard for the money they have earned, and they deserve better.

□ 1230

Mr. OXLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. KELLY), the distinguished chairman of the Subcommittee on Oversight and Investigations.

Mrs. KELLY. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, I would like to commend the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER), the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from Massachusetts (Mr. FRANK) for their leadership in improving and moving this legislation through. It is going to send a clear message to all Americans that we are trying to make sure that when they invest their money, there will be fairness and there will be oversight in the marketplace.

The interest of the investors of this Nation need to come first. As the gentleman from Delaware (Mr. CASTLE) said, this is a good step in restoring confidence to those people with whom we trust our investment money. And when we entrust that money to them, we want to know that it will be regulated, that the transactions will be transparent so we can see what they are doing.

This problem with the mutual funds should have been addressed many years ago. Again, as my colleague, the gentleman from Delaware (Mr. CASTLE) pointed out, this is something the SEC should have acted on a long time ago, and especially during the 1990s when we had a strong market and such a bright light of investigation could have gone in with possibly less impact, because we certainly do not want to do anything that is going to affect this Nation's growth that we are experiencing with our economy now.

I think it is imperative that Congress take action to strengthen investor confidence. It will allow our economy to continue to experience a full growth. And we have to be sure that our investors here in the United States, now over half of all American families are invested in mutual funds, we have to make sure that we have, they have the backing of Congress, that they have the oversight from Congress, but more importantly, that that backing and oversight comes from the SEC.

They need to invest their hard-earned money with full faith and hope for prosperous futures. The Mutual Fund Integrity Fee and Transparency Act is an important step in the process. The legislation improves accountability and integrity by requiring a greater independence and transparency, as I mentioned before, and eliminating conflict of interests which we certainly are finding out were.

Nearly 100 million Americans invest their money in mutual funds. These investments really represent a part of

their nest egg. This is what they are using for their tuition for their kids. This is what they are going to use for their first home. It is what they are thinking about when they are thinking about what they are going to do for their retirement. These investments are the essential part of the lives of American families. Our work today is not going to be done. We are going to be all finished because this is a first step in this. We are going to continue to investigate these issues, and I look forward to continuing to work on these issues to strengthen investor confidence to ensure the highest level of integrity, transparency and accountability in this market.

I want people to have faith when they put their dollars into the U.S. markets, that the market is acting in their behalf and not on the behalf of someone who is going to make a private profit from what their money is. I urge my colleagues to support this legislation.

Mr. KANJORSKI. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, as a cosponsor of this legislation I am pleased to rise in support of it, but I regret that it did not include the SEC recommendations that the Democrats supported.

Since the demise of Enron 2 years ago, the Committee on Financial Services has undertaken a comprehensive reform agenda. We have rewritten the rules applying to the accounting industry and completely changed the relationship between boards of directors and corporate managers.

The legislation we are considering today represents the beginning of similar reforms for the mutual funds industry. This legislation attacks conflicts of interest and increases the independence and accountability of oversight boards. It increases the number of independent board members from 40 percent to two-thirds. With increased independence, also comes increased responsibility as the legislation places fiduciary duties on boards of directors, requiring them to review revenue sharing and soft dollar arrangements.

It will also require disclosure of fund managers' compensation structure and bar the same individual from managing a mutual fund and hedge fund. On the consumer side, the bill requires the disclosure of total fees an investor will pay per $1,000 they invest.

Finally, I am pleased that this legislation provides the SEC more authority to police the funds industry. I can only hope that they use it. I would also like to commend the leadership of State regulators and State attorneys general, specifically Mr. Elliot Spitzer from New York State. The following is an article he recently authored and published on this subject:

[From the New York Times, Nov. 17, 2003]

REGULATION BEGINS AT HOME

(By Eliot Spitzer)

ALBANY—With two decisions in the last two weeks, the Bush administration has sent its clearest message yet that it values corporate interests over the interests of the average Americans. In the Securities and Exchange Commission's settlement with Putnam Investments, the public comes away short-changed. In the Environmental Protection Agency's decision to forgo enforcement of the Clean Air Act, the public comes away completely empty-handed.

The 95 million Americans who invest in mutual funds paid more than $70 billion in fees in 2002. These fees went to an industry that did not take seriously its responsibility to safeguard investors' money. Investors are now rightly concerned about whether those mutual funds that breached their fiduciary duties will be required to refund the exorbitant fees they took, and what mechanism will be put in place to ensure that the fees charged in the future are fair.

Unfortunately, the S.E.C.'s deal with Putnam does not provide a satisfactory answer to these questions. Instead, it raises new questions.

The commission's first failure is one of oversight. The mutual fund investigation began when an informant approached our office with evidence of illegal trading practices. Tipsters also approached the commission, which is supposed to be the nation's primary securities markets regulator, but the commission simply did not act on the information.

The commission's second failure was acting in haste to settle with Putnam even though the investigation is barely 10 weeks old and is yielding new and important information each day. Whether the commission recognizes it or not, the first settlement in a complex investigation always sets the tone for what follows. In this case, the bar is set too low.

The Putnam agreement does contain a useful provision mandating that the funds' board of directors be more independent of the management companies that run its day-to-day operations. It also talks of fines and restitution, but leaves for another day the determination of the amount Putnam should pay.

Most important, the agreement does not address the manner in which the fees charged to investors are calculated. Nor does it require the fund to inform investors exactly how much they are being charged—or even provide a structure that will create market pressure to reduce those fees. Finally, there is no discussion of civil or criminal sanctions for the managers who acted improperly by engaging in or permitting market timing and late trading.

S.E.C. officials are now saying that they may be interested in additional reforms. But by settling so quickly, they have lost leverage in obtaining further measures to protect investors. After reviewing this agreement, I can say with certainty that any resolution with my office will require concessions from the industry that go far beyond what the commission obtained from Putnam.

It is not surprising that the commission would sanction a deal that ignores consumers and is unsatisfactory to state regulators. Just look at the Bush administration's decision to abandon pending enforcement actions and investigations of Clear Air Act violations.

Even supporters of the Bush administration's environmental policy were stunned when the E.P.A. announced that it was closing pending investigations into more than 100 power plants and factories for violating the Clean Air Act—and dropping 13 cases in which it had already made a determination that the law had been violated.

Regulators may disagree about what our environmental laws should look like. But we should all be able to agree that companies that violated then-existing pollution laws should be punished.

Those environmental laws were enacted to protect a public that was concerned about its health and safety. By letting companies that violated the Clean Air Act off the hook, the Environmental Protection Agency has effectively issued an industry-wide pardon. This will only embolden polluters to continue practices that harm the environment.

My office had worked with the agency to investigate polluters, and will continue to do so when possible. But today a bipartisan coalition of 14 state attorneys general will sue the agency to halt the implementation of weaker standards. In addition, we will continue to press the lawsuits that have been filed. We have also requested the E.P.A. records for the cases that have been dropped, and will file lawsuits if they are warranted by the facts.

Similarly, my office—while committed to working with the Security and Exchange Commission in our investigation of the mutual fund industry—will not be party to settlements that fail to protect the interests of investors and let the industry off with little more than a slap on the wrist.

The public expects and deserves the protection that effective government oversight provides. Until the Bush administration shows it is willing to do the job, however, it appears the public will have to rely on state regulators and lawmakers to protect its interests.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. HARRIS), a valuable member of the committee.

(Ms. HARRIS asked and was given permission to revise and extend her remarks.)

Ms. HARRIS. Mr. Speaker, I rise to express my vigorous support for H.R. 2420, the Mutual Fund Integrity and Fee Transparency Act. Mutual funds have become a vital tool that millions of Americans rely on. In fact, approximately some 95 million investors representing nearly half of all U.S. households own a stake in some type of mutual fund. Reflecting the dramatic shift in recent decades toward this investment alternative, the mutual funds industry hold an estimated $7 trillion dollars in assets.

Just as the stock market boom of the 1990s bolstered the average American's belief in the strength of our Nation's capital markets, the corporate malfeasance of recent years rocked that market.

Through the market's ups and down during this period, many investors maintained their mutual fund holdings because they felt these investments represented a safe harbor for their assets. In essence, this perception constitutes precisely why the latest problems to shake the industry have created such damage. Mutual funds reputation as the harbinger of safe and easy investing has vanished. As our Nation confronts an array of daunting challenges, restoring and safeguarding the economic security of every American must remain one of our top priorities.

The legislation that we consider today responds to the illegal and unethical practices that have affected the mutual fund industry. Moreover, it comprises an integral part of the gentleman from Ohio's (Mr. OXLEY) strategy to enhance investor protection which continues to serve as the hallmark of his leadership in the Committee on Financial Services.

I applaud the vision and foresight of the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER) that they have demonstrated in forcefully addressing the concerns regarding the mutual fund disclosure and investor protection well in advance of State and Federal investigators.

Throughout the hearing and markup process, we have heard ample evidence regarding how the vague disclosures permitted under current law have allowed greed to tarnish the mutual fund industry.

The Mutual Fund Integrity and Fee Transparency Act provide Americans with a clear understanding of the management, the fees and the ethics of the organizations with whom they entrust that are hard earned dollars, restoring a significant amount of confidence in the reliability and security of our capital markets.

Mr. KANJORSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. KANJORSKI) for yielding me time.

Mr. Speaker, I commend the gentleman from Ohio (Mr. OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK) for their leadership in moving this issue forward. I also acknowledge and credit the good work of the gentleman from Louisiana (Mr. BAKER) and the gentleman from Pennsylvania (Mr. KANJORSKI).

I rise in support of H.R. 2420, the Mutual Fund Integrity and Fee Transparency Act of 2003. I agreed to cosponsor this legislation which emphasizes integrity and values in the securities industry. I will vote for this bill today. However, I want the House and Senate to continue to modify its content because the mutual fund issues at hand continue to evolve.

Congress needs to ensure that the final bill sent to President Bush for his signature reflects appropriate solutions to real problems so that mutual funds shareholders will benefit from it. At present we are caught in the middle of regulatory one-upsmanship which is creating an interesting situation for Congress. Although some people in the mutual funds industry certainly make themselves easy targets, press accounts of the problem have helped inflame the situation, as have the very public battles between two regulators responsible for oversight of the mutual funds industry.

Mutual funds such as Putnam have violated certain laws and regulations. However, in just 6 weeks that same fund is in the process of cleaning house, has settled with the Securities and Exchange Commission, put strict compliance measures in place as part of that settlement, and is now run by a man some consider to be one of the most ethical men in the financial services industry.

At the end of the day, the overall mutual funds industry restitution may be $50 to $100 per affected share holder. We need to remember that the majority of mutual funds shareholders are not affected by the recent developments in this market and the guilty parties are rightfully being fined and punished under existing laws, not laws that have yet to be passed. Market forces are at work.

Mr. Speaker, the public perception of good funds versus bad funds will shape success for the mutual funds companies. Although I have cosponsored this legislation, and will vote for it today, I want to stress how important it is that we proceed very carefully with this legislation and any legislation that changes the regulation of the mutual funds industry.

Mr. OXLEY. Mr. Speaker, does the gentleman from Pennsylvania (Mr. KANJORSKI) have any further speakers?

Mr. KANJORSKI. Mr. Speaker, I have one more speaker.

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

Mr. KANJORSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I would like to enter into a colloquy with the chairman of the committee.

Section 202 of the manager's amendment requires the commission to issue rules that will protect mutual fund investors against conflicts of the interest created by the situation where the same individual serves as a portfolio manager of both a mutual fund and a hedge fund. This provision generally bans joint management of the two types of funds by the same individual. I note that the joint management of such funds by the same individual could create conflict whereby mutual fund investors effectively subsidize the hedge fund managed by the same individual.

Is it your understanding that the rules that the commission will be promulgating pursuant to the section will address those conflicts of interest?

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. EMANUEL. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Speaker, the answer is yes. The rules will ban joint management by the same individual but not the same firm, both the registered investment company and other unregistered investment vehicles. Those rules will address the conflicts of interest that are presented by such an arrangement, including the conflicts raised by the gentleman.

Mr. EMANUEL. Reclaiming my time, I support H.R. 2420 for the simple reason that I think it is essential to replace and retain, but also reconstruct the Good Housekeeping seal that the mutual fund industry has had for so long. They have lost it in the last 6 months.

This legislation would restore that seal, that sense that people's money, the middle-class investors' money is safe with the mutual fund. How it would do that is it would reverse the culture and the practice that has been developed in the mutual fund industry where the manager's strategy, the manager's mentality is, heads I win; tails the investors lose.

That is what has been going on. This legislation is not only a good step in the right direction, it is a strong step in the right direction.

As we just were talking a second ago about the relationship between mutual funds and hedge funds, I know as the Senate takes this up, we have more work to do in this area. In my view for too long we have a culture that has been developed in the industry where it is self-serving to the management. It is essential now as the relationship between mutual funds and hedge funds exist in the same family, to go beyond the individual area, but to ensure that the mutual fund investor does not subsidize the well-to-do investors in the hedge fund.

We have made sure that if we are going to allow that to exist, that real walls exist between the mutual fund industry and the hedge funds inside those families; and that those walls that boast sharing of research, staffing, IPO's, that, in fact, there is a wall that exists so we get back that culture, get back that mentality, look for other conflicts of interest and deal with them in this legislation.

I am proud like we did in the Fair Credit Reporting Act which we will soon vote on, that again here in this step we have bipartisanship, taking the right type of steps to ensure that the democratic capitalism and culture of the most fluid markets that exist in the world and the most open markets continue to be encouraged; that mom-and-pop investors that save for college and save for retirement, that their funds are safe.

The SPEAKER pro tempore (Mr. SIMMONS). The gentleman from Pennsylvania (Mr. KANJORSKI) has 30 seconds.

Mr. KANJORSKI. Mr. Speaker, I yield myself such time as I may consume.

I have no further requests for time. Mr. Speaker, in closing, I would like to congratulate the chairman, the gentleman from Ohio (Mr. OXLEY) for a job well done and the chairman of my subcommittee, the gentleman from Louisiana (Mr. BAKER) for a job well done.

We have the unusual experience in the House of Representatives in the Financial Services industry of having a collegial relationship on both sides of the aisle, and this piece of legislation reflects that. We certainly look for a continuing of that type of collegial relationship, and, again, my compliments

to the chairman and to the chairman of the subcommittee.

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

□ 1245

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

In closing, let me also commend my friend from Pennsylvania, as well as the gentleman from Massachusetts (Mr. FRANK), the ranking member, for their leadership and their assistance on this issue.

As the gentleman knows, the gentleman from Louisiana (Mr. BAKER) has been very active on this issue for a number of months; and as I indicated to him, his efforts going forward were most appreciated, and we come to this day where we are going to pass this bill by a large margin, and that is due to the work of all three gentlemen that I mentioned. It is good to be in a situation where the committee works so well together on a number of issues. As the gentleman from Illinois indicated, when we bring up the conference report on the bill that all of us worked so hard on, we are going to be a very effective responder to some of those problems that developed in the area of consumer demand, as well as identity theft which will come forward, we hope, in the next few hours.

Mrs. KELLY. Mr. Speaker, during debate on the bill today, the gentleman from Pennsylvania placed in the RECORD an editorial authored by the Attorney General of New York. I want to also include for the RECORD a response published on November 18, 2003, in the Wall Street Journal by the chairman of the Securities Exchange Commission.

[From the Wall Street Journal, Nov. 18, 2003]

INVESTORS FIRST

(By William H. Donaldson)

WASHINGTON.—Among its many roles, the Securities and Exchange Commission has two critical missions. The first is to protect investors, and the second is to punish those who violate our securities laws. Last week's partial settlement of the SEC's fraud case against the Putnam mutual-fund complex does both. It offers immediate and significant protections for Putnam's current mutual-fund investors, serving as an important first step. Moreover, by its terms, it enhances our ability to obtain meaningful financial sanctions against alleged wrongdoing at Putnam, and leaves the door open for further inquiry and regulatory action.

Despite its merits, the settlement has provoked considerable discussion, and some criticism. Unfortunately, the criticism is misguided and misinformed, and it obscures the settlement's fundamental significance.

By acting quickly, the SEC required Putnam to agree to terms that produce immediate and lasting benefits for investors currently holding Putnam funds. First, we put in place a process for Putnam to make full restitution for investor losses associated with Putnam's misconduct. Second, we required Putnam to admit its violations for purposes of seeking a penalty and other monetary relief. Third, we forced immediate, tangible reforms at Putnam to protect investors from this day forward. These reforms are already being put into place, and they are working to protect Putnam investors from the sort of misconduct we found in this case.

Among the important reforms Putnam will implement is a requirement that Putnam employees who invest in Putnam funds hold those investments for at least 90 days, and in some cases for as long as one year—putting an end to the type of short-term trading we found at Putnam. On the corporate governance front, Putnam fund boards of trustees will have independent chairmen, at least 75% of the board members will be independent, and all board actions will be approved by a majority of the independent directors.

In addition, the fund boards of trustees will have their own independent staff member who will report to and assist the fund boards in monitoring Putnam's compliance with the federal securities laws, its fiduciary duties to shareholders, and its Code of Ethics. Putnam has also committed to submit to an independent review of its policies and procedures designed to prevent and detect problems in these critical areas—now, and every other year.

This settlement is not the end of the Commission's investigation of Putnam. We are also continuing to examine the firm's actions and to pursue additional remedies that may be appropriate, including penalties and other monetary relief. If we turn up more evidence of illegal trading, or any other prohibited activity, we will not hesitate to bring additional enforcement actions against Putnam or any of its employees. Indeed, our action in federal court charging two Putnam portfolio managers with securities fraud is pending.

There are two specific criticisms of the settlement that merit a response.

First, some have charged that it was a mistake not to force the new management at Putnam to agree that the old management had committed illegal acts. In fact, we took the unusual step of requiring Putnam to admit to liability for the purpose of determining the amount of any penalty to be imposed. We made a decision, however, that it would be better to move quickly to obtain real and practical protections for Putnam's investors, right now, rather than to pursue a blanket legal admission from Putnam. The SEC is hardly out of the mainstream in making such a decision. All other federal agencies, and many state agencies (including that of the New York attorney general), willingly and regularly forgo blanket admissions in order to achieve meaningful and timely resolutions of civil proceedings.

Second, some have criticized the Putnam settlement because it does not address how fees are charged and disclosed in the mutual fund industry. While this issue is serious, the claim is spurious. The Putnam case is about excessive short-term trading by at least six Putnam management professionals and the failure of Putnam to detect and deter that trading. The amount and disclosure of fees is not, and never has been, a part of the Putnam case, and thus it would be wholly improper to try to piggyback the fee-disclosure issue on an unrelated matter.

If our continuing investigation of Putnam uncovers evidence of wrongdoing in the fee-disclosure area, we will not hesitate to act, and the Commission is already moving forward with rulemaking that will address this issue, and others, on an industry-wide basis. Those lacking rulemaking authority seem to want to shoehorn the consideration of the fee-disclosure issues into the settlement of lawsuits about other subjects. But we should not use the threat of civil or criminal prosecution to extract concessions that have nothing to do with the alleged violations of the law.

Criticism of the Commission for moving to quickly misses the significance of the Commission's action. While continuing our broader investigation of Putnam, we have reached a fair and far-reaching settlement that establishes substantial governance reforms and compliance controls that are already benefiting Putnam's investors. It is a settlement where the Commission put the interests of investors first.

As the Commission continues to initiate critical and immediate reforms of the mutual-fund industry, and while we investigate a multitude of other cases involving mutual fund abuses, we will continue to seek reforms that provide immediate relief to harmed investors.

Mr. MOORE. Mr. Speaker, as a member of the Financial Services Committee, I rise in support of H.R. 2420, the Mutual Fund Integrity and Fee Transparency Act of 2003, which I joined in cosponsoring after our committee approved it earlier this year.

H.R. 2420 includes numerous provisions to help stop trading abuses involving mutual funds such as those that have been recently uncovered by State and Federal regulators. For example, it requires better disclosures of mutual fund fees and expenses to help investors compare the relative costs of funds and make more informed investment decisions, and it improves the corporate governance of mutual fund companies.

Among other things, the bill requires the Securities and Exchange Commission (SEC) to issue rules that would prevent late trades; prohibits mutual fund employees from engaging in any short-term trading of their personal shares, and allows funds to charge higher redemption fees to discourage short-term trades by others; prohibits any individual from managing both a mutual fund and a hedge fund at the same time; requires mutual funds to provide operating cost comparisons using a standard $1,000 investment as an example; requires funds to disclose the extent to which their portfolio ''turns over'' each year; requires disclosures of financial incentives provided to brokers to recommend certain funds, of how fund managers are compensated, and of the extent to which fund managers hold fund shares in their personal portfolio; requires that at least two-thirds of the directors of a mutual fund be independent; and enhances the fiduciary duty of a fund's board of directors to act on behalf of investors.

I do, however, have concerns with some of the provisions that were included in the bill through adoption of today's manager's amendment. I believe that this legislation has suffered as a result of the addition of this amendment without any bipartisan consideration of its provisions. My concerns involve the following issues:

The manager's amendment would require fund companies and their principals to establish a code of ethics and to disclose such code of ethics in periodic reports to shareholders. In addition to developing and making public a fund's code of ethics, the fund company is required by this section to ''disclose such code of ethics and any waivers and material violations thereof on a readily accessible electronic public information facility of such company.''

Establishing and following a code of ethics to ensure that fund companies operate in the best interests of investors is a critical step towards meaningful reform of the mutual fund industry; however, publicly disclosing waivers and material violations of codes of ethics places fund companies at unprecedented levels of liability risk, particularly if done on a

''readily accessible electronic public information facility''—e.g., a Web site.

The manager's amendment requires the independent directors of a fund's board to certify, at the risk of personal liability, that a host of procedures exist for the day-to-day operations of the fund company, including: Verification that the current net asset value of any security issued by the fund company complies with the applicable securities laws; oversight of the flow of funds into and out of the securities company; ensuring investors receive applicable discounts on advertised front-end sales loads; share classes are offered in the interests of investors and ''could reasonably be an appropriate investment option for an investor''; and review and approval of the portfolio manager's compensation.

This section raises serious questions about the appropriate role of the board of directors by changing the face of mutual fund company boards to act as managers of the day-to-day operations of the fund, over which they normally now have little control, with regard to actual compliance. No other board structure, for any other sort of public company, has these sorts of requirements. Given the litany of new requirements imposed on independent directors, grave concerns are already being raised about a fund's ability to find individuals willing to serve on a fund board. If fund companies are able to find individuals willing to subject themselves to new liability, the company would likely have to compensate that individual for taking on this risk—a cost that will ultimately be borne by shareholders.

For example, section 201(a)(4)(A) requires the independent directors of the mutual fund (a separate company) to certify that the mutual fund's investment manager (another company) has procedures in place to verify the fund's net asset value and that there is compliance with these procedures. Net asset values are determined daily. Given the independent fund director's relationship to those who do daily pricing, independent directors would be hard pressed to comfortably provide the certifications required. I have additional concern about how independent directors of the mutual fund could certify that investors receive front-end load sales discounts when neither the fund nor their investment manager knows the identity of the investors or how to communicate with them. This is often the case when funds are sold by third party intermediaries. I am also concerned about language that requires the independent directors to certify that mutual fund share classes are designed in the interests of investors and are reasonably appropriate investment options. Directors of the fund should not be asked to assume the role of financial adviser to an investor.

Another significant concern relates to independent fund director approval and certification of portfolio manager compensation. This chips away at the fundamental structure underlying the relationship between the mutual fund and its investment management company. As indicated, they are separate companies. The independent fund directors negotiate and approve the investment management contract on behalf of mutual fund investors. In this way, they control expenses for investors. They hire out expert investment management and can fire them if they don't perform. It is inappropriate for them to approve and certify approval of compensation at another company. When someone hires a company to do something, you don't usually get to approve their employees' compensation—only what you pay the company.

Finally, the manager's amendment requires the mutual fund to appoint a chief compliance officer and the independent directors of the fund to approve his or her compensation. The amendment also requires the compliance officer to provide reports directly and privately to the independent fund directors. I have no problem with the fund appointing a compliance officer who ''functionally reports'' to it, but ''administratively reports'' to the investment manager. This can be worked out. But, for the same reasons cited above, I think it is improper for the independent directors of the fund to approve the compensation of someone who works for its contractor. In addition, the language of this provision could be read to require each fund to appoint its own compliance officer, when a mutual fund often manages several dozen funds. The result could be a costly, unworkable situation.

Overall, H.R. 2420 is a bill is a timely and needed piece of legislation; as Consumers Union stated in a letter to Congress earlier today, it ''is an important first step in the effort toward reforming this industry and protecting the interests of millions of investors.'' I support its passage in this body today, but hope that the Senate and ultimately, a conference committee, can address the remaining issues I have outlined here.

Mr. UDALL of Colorado. Mr. Speaker, I support this bill as a necessary first step toward greater protection for the millions of Americans who have invested in mutual funds.

Anyone who reads the daily newspapers is aware of the need for greater vigilance by the Securities and Exchange Commission to prevent continued practices by fund managers and others that enrich favored individuals and groups at the expense of the majority of mutual-fund shareholders.

I do understand that there are concerns about some parts of the bill, including a provision that would authorize an increase in the fees charged for redemption of fund shares, presumably as a way to reduce the likelihood of some transactions that would have adverse effects on other shareholders.

I have heard from people in Colorado who think that the costs to shareholders of such fee increases would outweigh its benefits, and I think they make some good points in support of that view.

However, my understanding is that while the bill would authorize such fee increases, it does not mandate them. And, on balance, I think the potentially adverse effects of this provision are outweighed by the desirable changes to current law that would be made by other parts of the bill.

So, I will vote for the bill as a necessary first step to respond to a real and urgent problem. My hope is that it will be further refined as the legislative process proceeds in the other body and possibly in conference.

Mr. CASTLE. Mr. Speaker, I rise today in support of H.R. 2420, the ''Mutual Funds Integrity and Fee Transparency Act of 2003.'' I commend Chairman OXLEY and Subcommittee Chairman BAKER for continuing your work in protecting American investors and I am proud to play a role in addressing the problems in the mutual fund industry. Hearings in the Financial Services Committee have enabled us to address a number of ongoing reforms that are necessary for the mutual fund industry to increase transparency for investors. From these hearings we have also learned of additional problems within the mutual fund industry that have only recently come to light such as improper trading practices. We have improved this legislation by incorporating all of the issues and I am proud of the legislation we passed out of committee with strong bipartisan support.

The average American family chooses to invest in mutual funds. I want to make clear what is at stake. Two decades ago, only 6 percent of American households had mutual fund shares valued at $134 billion. Today, half of all American families have $7 trillion at stake. Mutual funds represent about 10 percent of the total financial assets of the U.S. population. The number of funds have grown from less than 500 mutual funds in 1980 to approximately 8,000 mutual funds today.

It concerns me that the scandals we have learned of in recent weeks may only be the tip of the iceberg. This should be a wake up call to both the Securities and Exchange Commission (SEC) and the industry that change is needed. Mutual funds are a $7 trillion industry and with more than 50 percent of the American public invested in mutual funds there is the potential for investors to be hurt more so by these recent revelations than even the World Com and Enron scandals. I am not downplaying the problems that were in play there but I feel this issue is further reaching and could impact a greater number of investors in the long run. Some in the industry have stated market timing was an open practice, furthermore, some funds have even stated they participated in market timing on a limited level with clients to allow controversial trading as a way to control the improper practice. This bothers me. Favoritism to big investors and violating ethical and legal codes rob the average investor who depends on their investments for costs such as education and retirement. There is a lot at stake and the reforms addressed in this legislation will help prevent future investor betrayals. This bill addresses the recent market scandals and makes additional necessary reforms to the mutual fund industry, and I would like to highlight just a few.

First, to address recent scandals in the mutual fund industry, the manager's amendment will explicitly ban sort term trading by fund insiders and permit funds to charge more than the current maximum 2 percent redemption fee to discourage all market timers. Second, to prevent market timing trades, made possible by stale pricing, the manager's amendment directs the SEC to clarify rules regarding mutual funds' obligation to apply fair value pricing. Third, the manager's amendment also addresses late trading. Late trading is not only an improper advantage for large fund investors, it is illegal. Late trading has allowed some big fund investors to take advantage of the current day's price on orders to buy or sell shares placed after the close of the New York markets, when proper procedure would be to carry out the orders at the following day's price. Some have likened this practice to ''betting today on yesterday's horse race.'' The manager's amendment directs the SEC to issue rules to prevent late trading without disadvantaging those investors who use financial intermediaries such as broker-dealers and 401(k) and pension plan administrators to purchase fund shares.

Fourth, this legislation rightly increases the requirement of independent board members from one-half to two-thirds of total board membership and strengthens independence qualifications. A greater number of independent directors will increase protections of investors' interest against those of directors whose interests are tied to the success of their funds' advisers. Fifth, the bill requires disclosure of brokers' conflicts of interest where they are paid incentives to promote particular funds so that investors can weigh sales incentives.

Finally, I am concerned about fees that mutual fund investors face. I understand that mutual fund companies feel there is a need for certain fees, but these fees must be transparent to investors. In many cases investors choose ''no-load'' funds for their no fee structure, but hidden fees such as 12–(b)–1 fees are often charged. I am pleased this legislation would prohibit a fund from advertising as a ''no-load'' fund if in fact the 12–(b)–1 fee is charged. Furthermore, in an effort to enhance transparency of fees, the bill requires that mutual funds disclose fees, in dollar amounts, on a hypothetical $1,000 investment, and further requires that this information not be buried in a prospectus.

Mr. Speaker, the House Financial Services Committee and Congress acted in the wake of the Enron and World Com scandals to protect investors. Today we are again being called on to protect the average American investor and I urge my colleagues on both sides of the aisle to join me in supporting this important and very necessary legislation.

Mr. PORTMAN. Mr. Speaker, I rise today in strong support of H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act, and congratulate Chairman OXLEY and Chairman BAKER for bringing this needed legislation to the House Floor so expeditiously. These critical reforms will help to ensure that America's 95 million mutual fund investors, representing a combined $7 trillion in assets, are reassured and protected. I have a special interest in this issue because I have worked over the past eight years to strengthen 401(k) plans, many of which are significantly invested in mutual funds.

I am deeply concerned about the allegations of illegal mutual fund trading practices, including improper market timing and late trading. There have also been reports that certain investors, including large institutional investors, have been given preferential treatment, to the detriment and disadvantage of individual investors. Each day has brought news of additional allegations, indicating that the abuse is widespread in the mutual fund industry.

Every investor is entitled to fair treatment. Every investor should expect, and is indeed entitled, to expect that the mutual fund industry will place the interest of investors first. In fact, the Investment Company Act requires that mutual funds be organized, operated and managed in the interest of the funds' shareholders, not those of the fund directors, executives or certain investors.

H.R. 2420 provides key reforms. The bill will strengthen funds' compliance with rules, by requiring each fund a code of ethics and a chief compliance officer; ban short-term trading by insiders; allow higher fees to discourage short-term trading; and eliminate conflicts of interest in portfolio management. Investors will be provided with more information about fees, with additional disclosure required about estimated fund operating expenses, portfolio turnover rates and whether brokers receive extra financial incentives to sell particular fund shares. And mutual fund corporate governance will be strengthened by requiring two thirds of all board directors be independent.

Mr. Speaker, I strongly support these important reforms. I urge my colleagues to vote for this legislation to help improve mutual fund disclosure; eliminate conflicts of interest, and strengthen corporate governance.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to urge my colleagues to support H.R. 2420 and remove any question that U.S. mutual funds are a sound investment. ''The Mutual Funds Integrity and Fee Transparency Act of 2003'' is the product of hard work and bipartisan cooperation to address concerns by investors in the wake of revelations this year of improprieties by irresponsible individuals in the mutual fund industry.

Today almost 100 million Americans invest in stock and bond mutual funds through direct holdings, 401(k) accounts, and through other mechanisms. I am one of these investors. Mutual funds are a stellar success story, combining diversification of risk with the simplicity of a single vehicle. Estimates are that mutual fund holdings today exceed $7 trillion dollars.

We must provide investors with the assurances they need to continue to fuel the mutual fund engine. H.R. 2420 will protect investors by reforming the mutual fund industry in several significant ways. Among the important provisions of this measure are rules to require greater transparency to investors as to the fees they are charged, and a new directive to the Securities and Exchange Commission to conduct a study of transaction costs.

This measure also correctly addresses the issue of the objectivity of the mutual fund's board of directors by requiring that two-thirds of the directors be independent, a significant increase from the current 40 percent requirement.

I support H.R. 2420 and urge my colleagues to do the same. As the bill advances through the legislative process it will undergo further changes, and I would recommend minor corrections that will improve the functionality and efficacy of this measure.

I encourage my colleagues to make certain that we enact legislation that produces the transparency that investors require yet does not become overly bureaucratic or burdensome to the mutual fund industry. For example, the requirement in H.R. 2420 for the appointment of a Chief Compliance Officer should take into account that investment management companies generally oversee several funds, and that each individual fund should not require a separate Chief Compliance Officer. Such a step would only add to the management costs of the funds which in turn will result in higher costs to the investor.

We must also balance the much needed protection given to whistleblowers in H.R. 2420 with the legitimate needs of businesses to weed out poor performers. With hundreds of funds to choose among, there is no lack of competition in the mutual fund industry, and when the success of a given fund is measured in fractions the emphasis must be on getting results for the investor. Let us be certain to protect whistleblowers while not creating a safe harbor for underachievers.

Mr. Speaker, H.R. 2420 is worthy of our support, and again I urge my colleagues to vote in the affirmative today, and to work to further improve the measure as it moves toward enactment.

Mr. SHAYS. Mr. Speaker, I rise in support of the Mutual Funds Integrity and Fee Transparency Act.

Mutual funds are based on trust. Every day, America's workers hand over their hard-earned money and trust mutual fund companies to invest their savings for them.

That trust has been severely damaged in recent months, and I can only hope this harm is not irreparable because mutual funds have played an important role in democratizing our stock markets.

This isn't Enron. It isn't WorldCom. But it's just as bad because there are 95 million mutual fund investors in America and they're being harmed. Mutual funds are one of the best ways for workers to plan for their retirements. It allows them to diversity their investments and access the capital markets without having to become experts in individual stocks. It allows them to build wealth in a way that was once reserved for the Rockefellers and Kennedys.

These investors are being defrauded by insiders who trade, in the short term, their own fund shares and trade even after the markets close. For each dollar gained through these illegal activities, every other investor in these funds loses, a result that goes against the very nature of mutual funds.

The Financial Services Committee acted quickly and reported out a good bill. The legislation before us today takes important steps in highlighting the growing cost of mutual fund fees and improving the accountability and integrity of mutual fund companies.

In an equally important step, the bill increase the requirement of independent board members from one-half to two-thirds and strengthens independence qualifications. I hope this provision leads to more independent directors who will be better able to protect investors' interest against those of directors whose interests are tied to the success of their funds' advisers.

I urge swift passage of this bill so that the Securities and Exchange Commission will have the tools it needs to right the mutual fund industry. In the meantime, I hope mutual fund companies heed this wake-up call and begin to rebuild the trust they have squandered.

Mr. OSE. Mr. Speaker, I rise today in strong support of H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act of 2003. As a Member of the Financial Services Committee I am proud to be an original cosponsor of legislation that makes significant and much needed reforms to the mutual funds industry by implementing measures to improve transparency on fund fees and practices, bolster oversight abilities, address conflicts of interest and enhance information provided to investors. H.R. 2420 will strengthen the market by improving investor confidence and by giving investors the necessary information to make more informed investment decisions.

In today's climate, it seems one cannot pick up a paper without reading about financial scandals involving improper conduct involving mutual funds. The actions of this body in passing this H.R. 2420 will mitigate the adverse impact these recent scandals may have on the market by reassuring American investors that Congress and relevant regulatory bodies are acting expeditiously to address shortfalls in industry practice and regulation.

I commend Chairman BAKER on his leadership on this bill, with foresight he recognized loopholes in mutual fund regulation and even before the current scandals surfaced worked hard to implement significant reforms to clarify and codify rules on disclosure, improve transparency, and increase oversight capabilities. In the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, where I serve as Vice-Chairman, Chairman BAKER has held a number of hearings to examine this issue in a deliberate and methodical manner, and I thank him for his dedication to this issue.

I would also like to recognize the leadership Chairman OXLEY has demonstrated in bringing this bill to the floor today. His manager's amendment strengthen the existing bill and in the spirit of the H.R. 2420's original intent, ensure that mutual funds are contentious in their fiduciary duty to investors.

Mutual funds have become more accessible to increasing numbers of Americans over the years, and this has served the industry well. Today 95 million individuals, comprising nearly half of all U.S. households, own mutual funds. More Americans have a vested interest in the success of these funds for the health of their savings and pensions, and their increased involvement also is symbolic of the trust they have in the integrity of the system. It is imperative that we do not let the American mutual investors down by failing to resolve these issues.

Mr. Speaker, this bill is an important and necessary step in restoring American investor trust into the mutual fund industry. I applaud the leadership Chairman BAKER and Chairman OXLEY have shown on this bill, and thank them for their service on behalf of American investors. I yield back the remainder of my time.

Mr. OXLEY. Mr. Speaker, I yield back the balance of our time.

The SPEAKER pro tempore (Mr. SIMMONS). The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 2420, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. OXLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

TORTURE VICTIMS RELIEF REAUTHORIZATION ACT OF 2003

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1813) to amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic and foreign centers and programs for the treatment of victims of torture, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1813

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 ''Torture Victims Relief Reauthorization Act of 2003''.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR DOMESTIC TREATMENT CENTERS FOR VICTIMS OF TORTURE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 5(b)(1) of the Torture Victims Relief Act of 1998 (22 U.S.C. 2152 note) is amended to read as follows:

''(1) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated for the Department of Health and Human Services for fiscal years 2004 and 2005, there are authorized to be appropriated to carry out subsection (a) (relating to assistance for domestic centers and programs for the treatment of victims of torture) $20,000,000 for fiscal year 2004 and $25,000,000 for fiscal year 2005.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2003.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR FOREIGN TREATMENT CENTERS FOR VICTIMS OF TORTURE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 4(b)(1) of the Torture Victims Relief Act of 1998 (22 U.S.C. 2152 note) is amended to read as follows:

''(1) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated for fiscal years 2004 and 2005 pursuant to chapter 1 of part I of the Foreign Assistance Act of 1961, there are authorized to be appropriated to the President to carry out section 130 of such Act (relating to assistance for centers in foreign countries and programs for the treatment of victims of torture) $11,000,000 for fiscal year 2004 and $12,000,000 for fiscal year 2005.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2003.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES CONTRIBUTION TO THE UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.

Of the amounts authorized to be appropriated for fiscal years 2004 and 2005 pursuant to chapter 3 of part I of the Foreign Assistance Act of 1961, there are authorized to be appropriated to the President for a voluntary contribution to the United Nations Voluntary Fund for Victims of Torture $6,000,000 for fiscal year 2004 and $7,000,000 for fiscal year 2005.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill that is under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, torture remains a cruel weapon of choice for antidemocratic, dictatorial regimes around the globe. It is used to silence opposition leaders and to suffocate political dissent.

Today, torture is commonplace and, sadly, systematic. In many countries around the globe, including the People's Republic of China, Cuba, and many countries in Africa, the Middle East, it is used to extract confessions. It is used to humiliate, to punish. It is used to crush people's souls and hearts and their bodies and to break them while they are in captivity. Torturers themselves, it turns out and is no surprise to any of us, are sadistic and cruel beyond imagination.

Mr. Speaker, even torturing a single, carefully targeted individual can have a multiplier effect, sending a message of fear throughout the entire community and even across generations. For example, the paralyzing effect of torture is painfully clear in Turkmenistan where countless people have been tortured, killed and disappeared in the wake of last year's November 25 attack on President Niyazov's motorcade.

We see it throughout China, especially regarding people who are part of the Falun Gong. Hundreds of them have been tortured to death simply because of their expression of their conscience in that religious expression. We see it with the Buddhists and others. We see it with the Catholics in the underground church in China where, again, these individuals are routinely and through incredible harshness tortured.

I point out to my colleagues that even after a dictatorial regime has fallen, as it has in Iraq, the impact of torture can be felt for years. Leaders are broken and lost. There is a profound lack of trust in public institutions, in the police and in courts. Unless we find a way to understand and to heal the legacy of torture people will be unable to work with each other to rebuild their nation. Individuals who are tortured, who carry around both psychologically and in their person that legacy, very often suffer post-traumatic stress disorder, one of the worst expressions or manifestations or legacies of that torture. Unless we are able to heal or provide or facilitate that healing, these people are literally walking time bombs, and we will find it hard both in these countries and the emigre community to build institutions that will not fail.

I think many Members will be surprised to learn that in the United States there are an estimated 500,000 torture survivors, most of whom came to the United States as refugees. Worldwide, while it is impossible to count the actual number, Amnesty International has documented torture in 150 countries. So we know the number is in the millions.

The Torture Victims Relief Reauthorization Act before the body today provides $20 million to the Department of Health and Human Services to assist

treatment programs in the United States for fiscal 2004 and $25 million for fiscal year 2005.

Mr. Speaker, in spite of these numbers, and this is an increase over the previous year's, the number of survivors seeking treatment in U.S. centers funded through this legislation has steadily increased. The word is getting out that one can go to these centers and get treatment, and the process, very often a lifelong process of healing, can begin.

We found, or there has been a finding I should say, that when the centers first opened there were about 935 people who were helped in 1999 as a result of the legislation we passed then. That jumped to 1,550 clients served in 2000 to 2,579 in 2001. We now know that there are some 3,664 clients that have gotten services at a cost of about $3,500 per client in fiscal year 2002. With the additional funding that we contemplate that this bill would authorize, it is estimated that U.S. centers would have the capacity and the ability to serve an additional 2,800 survivors per year.

Torture treatment centers provide a range of services, Mr. Speaker, including medical exams, lab tests, psychological and psychiatric screening evaluations, psychiatric medication, individual, group and family therapy, and crisis counseling.

In addition, the network of treatment centers already in the U.S., and we know this, needs to be expanded; and I would point out to my colleagues there are a number of large cities with large emigre communities with torture victims who are not being served in places like Miami, New Orleans, Houston, Dallas, Atlanta, Cleveland, St. Louis, Kansas City, Salt Lake City, and Seattle. Hopefully, as a result of this reauthorization and the subsequent appropriations, money will be made available to craft or to establish those centers that are so vitally needed in those cities.

The Torture Victims Relief Reauthorization Act also authorizes $11 million in U.S. funds for the Agency for International Development to support foreign treatment centers in 2004 and $12 million in fiscal year 2005. This is a modest increase from the $10 million we first authorized in 1999; and, of course, the need is much more than that, but at least this is an attempt to try to meet some of that need.

USAID's Victims of Torture Fund, I would point out to my colleagues, administers treatment programs in 26 countries in Latin America, Africa, Asia, the Near East, and in Europe. Last year, the fund supported approximately 45 treatment programs. Nongovernmental organizations that receive this funding provide a direct service to survivors, to their families and communities. They strengthen the capacity of country-based institutions to deliver services to survivors and increase the level of knowledge and understanding about the needs of torture victims. These treatment centers can also gather forensic evidence that can be used to improve the capability of those documenting and seeking redress from the practice of torture.

To help meet the needs of victims around the globe, I would remind my colleagues that the U.N. established a fund back in 1981, and before we passed our first act, the United States' contribution to that fund was only in the hundreds of thousands. We have now pushed that number to $5 million, and this legislation would increase it to $7 million; and hopefully that, too, will be part of the fix to help mitigate the suffering endured by torture victims.

This is a good bill. I hope my colleagues will support it. I want to thank the gentleman from California (Mr. LANTOS), my good friend and colleague and the ranking member of the committee, who is the chief cosponsor and has worked with us hand in glove in crafting this legislation. I especially want to thank the gentleman from Illinois (Mr. HYDE), our good friend and colleague, the chairman of our committee, for his leadership on this very unrecognized and very below-most-people's-radar-screens issue. They often say torture victims, what are we talking about, and yet they are in our midst. They are suffering. They need help. This legislation provides at least some help.

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

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of this legislation.

Mr. Speaker, the Torture Victims Relief Reauthorization Act of 2003 ensures that our Nation continues to play a leadership role in combatting one of the most despicable of all human rights violations, the use of torture around the globe.

I was very pleased to join with the gentleman from New Jersey (Mr. SMITH), my good friend and distinguished colleague, in sponsoring this measure. I would like to commend the gentleman from New Jersey (Mr. SMITH) for his long-standing leadership on this issue, and I want to congratulate him for all of his work to support the heroic endeavors of all clinics around the world in the treatment of victims of torture. He is in the forefront of every single issue relating to human rights, and he has carried the ball on this issue as well.

On June 26, 1945, Mr. Speaker, the United Nations charter was signed, inaugurating the global fight for human rights. On the same day, 42 years later, the United Nations convention against torture came into force, declaring the depravity of torture and affirming the equal and inalienable rights of all members of the human family. In 1998, the United Nations declared June 26 an international day in support of torture victims.

Mr. Speaker, despite the work that has been done on the international front to prevent torture, it is a grim truth that governments worldwide continue to torture their citizens with impunity. Exact figures are difficult to come by, but Amnesty International estimates that some 117 countries, more than half of the countries on the face of this planet, still practice torture on their own citizens.

Pakistan, Guatemala, Zimbabwe, and China consistently rank high on this grim and despicable list. In some nations, the governments themselves carry out the torture. In some, they condone its use by the nation's political machinery.

The ramifications of torture practices are beyond the realm of the comprehension of normal human beings. Torture leaves no victim unscarred. It effectively shapes the remainder of his or her life. Torture survivors need psychological and physical therapy to cope with the post-traumatic stress that afflicts them every single day.

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Recovering from torture, Mr. Speaker, is a long-term process. It can take years before torture survivors can once again feel emotionally stable and comfortable in their own society.

Mr. Speaker, it sometimes just takes one individual to stand strong against the darkness of human rights violations. The torture victims treatment center community is fortunate to have such a person in my wife's and my good friend, Dr. Inge Genefke, of Copenhagen, Denmark.

Dr. Genefke started her work for torture victims as cofounder of the Danish Medical Group of Amnesty International 30 years ago. She observed during the treatment of torture victims that the physical wounds of those lucky enough to survive torture heal with time, but the trauma of her clients lingered on much longer.

In 1982, Dr. Genefke started a multidisciplinarian treatment approach integrating physical and psychological treatment. Her work has been utilized by torture victim treatment centers across the globe, dramatically improving the treatment of torture victims in scores of countries.

An estimated half a million foreign torture survivors reside in the United States, and we estimate that about 100 million live worldwide. There are now 250 treatment centers for torture victims internationally, with the sole purpose of providing crucial services to survivors of torture. In our own country, the Center for Victims of Torture in Minnesota was the first of its kind in the United States and the third torture victims center in the world, and I want to pay tribute to my friend and colleague, the gentlewoman from Minnesota (Ms. MCCOLLUM), for her leadership role in connection with this important center.

These centers are among those funded through the Torture Victims Relief Act, and their work is the only hope for people who have endured torture. I urge all of my colleagues to support our legislation, H.R. 1813.

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

Mr. SMITH of New Jersey. Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 4 minutes to the gentlewoman from Minnesota (Ms. MCCOLLUM), my good friend and distinguished colleague, who has been a leader on all human rights issues, including the plight of torture victims.

Ms. MCCOLLUM. Mr. Speaker, I rise today to acknowledge the valuable work that is being done to aid victims of torture and in strong support of the Torture Victims Relief Reauthorization Act of 2003. I commend my colleagues, the gentleman from New Jersey (Mr. SMITH), the ranking member, the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Mr. HYDE) for this important piece of legislation, and I commend the leadership of the House for bringing this bill to the floor today.

Mr. Speaker, Minnesota is the home for the Center for the Victims of Torture, a world renowned treatment center for the healing of torture victims. When the center opened in 1985, it became the first of its kind in the United States and the third treatment center in the entire world. And right now the center is putting the final touches on a second clinic in St. Paul, Minnesota. In fact, this new clinic is only a few blocks from my home, and my neighbors and I welcome the center and their tireless commitment to serve torture victims.

Mr. Speaker, the use of torture is a tool of intimidation, and the oppression continues to take place in more than 120 countries worldwide. It is estimated that one-third of the world's 12 million refugees are victims of torture. Many victims of torture are community leaders, those individuals who stand up and speak out for social change, political and religious change. The victims are often teachers, students, journalists, trade union organizers, human rights activists, or elected leaders, and they represent people of all ages, social classes, and religious beliefs.

Groups that sanction and sponsor and commit torture focus on these leaders because they want to inflict terror, intimidation and fear on entire communities because torture is about control. Frequently, the aim of this brutality is not to kill the victim, but to break their will. In many instances, doctors and medical personnel participate during the torture sessions to ensure that the victim will not die. The victims are humiliated, crippled, traumatized and then returned to their communities as a brutal message of intimidation to others.

Once a person has been tortured, their life has been fundamentally changed. But there is hope. Through this bill, thousands of torture victims living in the United States will receive the care that they need to heal and reenter society and lead positive, productive lives. The U.S. can be proud of the leadership we have shown in working to heal the victims of torture. Our country is a leader in the rehabilitation programs and continues to work to prevent torture around the globe.

The world community should continue to look to the United States for leadership because in the struggle of torture, the American people have answered the call. Torture relief is providing hope and opportunity for victims and families. The treatment is working, but there is more that can be done. This legislation will double the current support for our Nation's treatment centers, ensuring hope and opportunity for victims to receive the care that they need.

This legislation also creates a partnership by increasing funding for foreign treatment centers and strengthening our commitment to the United Nations Voluntary Fund for Victims of Torture. This bill sends a strong message to the international community that treating victims of torture is a priority and that we welcome the support of our like-minded friends around the globe.

Mr. Speaker, in closing, I would like to say that torture is a crime against humanity, unacceptable at any time by any nation, and any nation that tortures or tolerates torture is not truly free. Any government that silently witnesses the horrors of torture or hears the screams of the victims but does not act contributes to this oppressive, inhumane crime that extinguishes the essence of our human dignity.

Today, this Congress has an opportunity to speak with one voice for those who have suffered the unimaginable and continue to suffer. The message is clear and simple: Support this bill. And I encourage my colleagues to not only support the legislation, but to help fund this legislation.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume to thank my friend from Minnesota for her eloquent and powerful statement.

Mr. Speaker, I am delighted to yield such time as he may consume to the gentleman from Maryland (Mr. CARDIN), a fighter for human rights and the distinguished ranking member of the Helsinki Commission, the most successful international entity working for human rights.

Mr. CARDIN. Mr. Speaker, let me thank the gentleman for yielding me this time and just associate myself with the comments that he has made, that the gentlewoman from Minnesota (Ms. MCCOLLUM) has made and those that the gentleman from New Jersey (Mr. SMITH) has made. I think we are all in agreement that the United States must continue its leadership role in the international community to condemn in the strongest possible way the use of torture and to be a leader in rehabilitating those victims of torture.

We are talking about the physical and mental rehabilitation of people who have suffered from torture. These are people who need help, and this legislation will provide that additional assistance. It is the right thing to do.

I want to thank the gentleman from California (Mr. LANTOS), who has been a leader in this Congress on so many human rights issues in so many different ways. He has really, I think, provided the moral compass for this Congress to take up many of these very important issues. So I applaud all of his efforts in this regard.

Mr. Speaker, I agree with the gentleman from California on his assessment of the gentleman from New Jersey (Mr. SMITH), who is the chairman of our Helsinki Commission. I have had the honor of being the ranking Democrat, and our commission has put a very high focus on the issues of torture. And, quite frankly, we do not care whether the country has good relationships with us or not. If they use torture, it is wrong, and we are going to bring it to the international community's attention, and we are going to do everything we can in order to make sure it does not occur.

I have a list here of all the different hearings and briefings we have had on our commission, and you will see the country list, unfortunately, is very long. It includes many countries. We have put a spotlight and I think we have done a lot of good in slowing down the use of torture and making it clear that there will be a price to pay if you use torture in your country.

This legislation basically extends our role, to make it clear that the United States will continue to be a leader on this issue internationally by doing what we can here domestically, as well as internationally, to aid the victims of torture. I am pleased that it significantly increases the dollars that will be made available for our treatment programs here in the United States, as well as our participation internationally.

The gentlewoman from Minnesota (Ms. MCCOLLUM) mentioned the first center in the United States in Minnesota, and she is very proud of the role that was played by her State and herself, through her leadership, on this issue. I am pleased there is an organization in my district, the Advocates for Survivors of Torture and Trauma that aids victims of torture. Since 2000, the number of people that have sought assistance in this center has tripled. That is an indication of the problem that we are confronting in being a country that is willing to take people who have to flee other countries because of persecution, and now we have a responsibility to bring them back fully within our society. The funding of these centers will help to do that. It is the right thing to do. Without these additional funds in my community, it would take over a month to get an appointment. We hope this money will speed up the opportunity to seek and be able to receive the appropriate type of assistance.

The bottom line is this is an important bill. It is going to help people and will continue our commitment to fight torture and to be a player in rehabilitating the lives of those who have suffered from the use of torture. I encourage all of colleagues to support this legislation.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume to thank my friend for his powerful and significant statement.

Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself 1 minute to thank my friends and colleagues for their very strong statements and their passion on this issue.

The gentleman from Maryland (Mr. CARDIN), who is the ranking Democrat on the Helsinki Commission, we work together. There is no division. There is no air between our shoulders as we promote human rights in general and the elimination, or a zero tolerance policy towards torture within the OSCE.

There are 55 countries that make up the OSCE. At the parliamentary assemblies and with bilateral meetings and with country visits, we bring this issue up. We bring it up with the heads of state, we go to gulags, like the gentleman from Virginia (Mr. WOLF), who is also a member of our commission, and we do all that we can to stop torture in the first place.

But as this bill seeks to do, there are victims, they number in the millions, and their needs are not being cared for in many instances, especially overseas. The lucky ones make it here as emigres and as asylum seekers, and we have to make sure that both domestically and internationally, we try to mitigate that enormous pain and the nightmares they carry with them. As we know from our hearings and from our site visits from talking to these victims, maybe they cannot be cured fully and completely, but the pain can be eliminated to a great extent, and they can develop coping mechanisms and the like in order to deal with it and live a more normal life despite the fact that they have suffered so horrifically.

So I want to thank my friends and colleagues. And again, the gentleman from California (Mr. LANTOS), who knows this personally, who is a Holocaust survivor and is always out front on human rights. It is always great to work as a teammate with him. And, again, I thank the gentleman from Maryland for his kinds words, as well as my friend and colleague from Minnesota, I want to thank her as well.

Mr. SABO. Mr. Speaker, I rise today to acknowledge the important work that is being done to aid victims of torture, and to reemphasize my support for the reauthorization of the Torture Victims Relief Act, TVRA.

Minneapolis, Minnesota, is home to the United States first comprehensive torture treatment center, the Center for Victims of Torture, CVT. When CVT opened in 1985 they were the first center in the United States and only the third in the entire world.

Freedom from torture is a universal and fundamental human right. Yet torture continues to take place in more than 120 countries worldwide. It is estimated that one-third of the world's 12 million refugees are victims of torture. Politicians, journalists, teachers, students, religious leaders, trade union and human rights activists are all targets. The aim of torture is not to kill the victim, but to break down the victim's personality. Crippled, traumatized, and humiliated, the victims are returned to their communities as a warning to others.

Torture is fundamentally a political weapon, employed by repressive regimes to shape cultures through fear. For over a decade, what the clients in Minnesota have taught us, as well as victims from over 70 other nations of the world, is that torture:

Targets leadership of the opposition, to snuff out creativity and emerging movements, which may threaten the regimes corrupt hold on society;

Sends a message of fear throughout the network of that leader's family and community of followers and admirers. As a bishop from Africa once said about the meaning of torture, the message is clear: ''If they'll do this to me, what will they do to my flock?''

In Minnesota we have also learned how traumas of this severity and scale have a trans-generational effect, shaping the health, the hopes and the aspirations of future generations.

Because of these significant and predictable effects, torture is the most effective weapon against democracy. Even after a dictatorial regime has fallen, as it has in Iraq, we can expect that the impact of torture will be felt for generations: leadership broken and lost; their families and communities still frightened and disengaged from public life; a profound lack of trust in public institutions, police, and courts; a lesson in forced political apathy learned and lived out every day.

There are more than 500,000 torture survivors in the United States alone—refugees and asylum seekers who have fled repressive regimes. In recent years, there has been a dramatic increase in the number of victims of torture seeking help at U.S. rehabilitation centers. In the U.S. there are 34 rehabilitation centers and programs joined together under the National Consortium of Torture Treatment Programs, which was first started by the Center for Victims of Torture in Minnesota.

I have seen leadership restored and people made whole after they have received care at CVT. Restoring a torture survivor to full health has a lasting benefit for the entire community. Former clients of CVT are now public school teachers, small business owners, nurses, doctors and more. I would like to commend CVT for their tireless work on behalf of torture victims in the U.S. and worldwide, and encourage my colleagues to support the reauthorization of the Torture Victims Relief Act.

Mr. RAMSTAD. Mr. Speaker, I am pleased to rise in strong support of H.R. 1813, the Torture Victims Relief Authorization Act.

I am especially proud that the first Center for Victims of Torture in the United States is located in Minnesota. Minnesota's Center for Victims of Torture is certainly one of the premier centers for torture survivors in the entire world.

Minnesota is home to about 14,000 victims of torture, and there are some 400,000 victims of torture in our country. Even though people are becoming increasingly aware of the issue of torture, support and treatment for the victims have often been lacking.

That's where the center, with its excellent leadership, comes in. We in Minnesota have learned much, and now we want to bring that leadership, and the path-breaking work of the center, to the rest of the country.

Mr. Speaker, this important legislation provides support for Minnesota's Center for Victims of Torture and will enable our world-renowned Center to continue providing rehabilitation and other critical services to victims of torture.

All Minnesotans can be proud of our Center for Victims of Torture, which helps victims of torture recover from their horrific pain, suffering and scars.

Mr. Speaker, the issues of torture and human rights have finally penetrated the global consciousness, and I urge my colleagues to support passage of this important legislation.

Mr. SMITH of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 1813, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules, and on the motion to instruct conferees postponed yesterday. Votes will be taken in the following order:

H.R. 1006, by the yeas and nays;

House Concurrent Resolution 320, by the yeas and nays;

H.R. 3491, by the yeas and nays;

And the motion to instruct on H.R. 1, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. The remaining electronic votes will be conducted as 5-minute votes.

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CAPTIVE WILDFIRE SAFETY ACT

The SPEAKER pro tempore (Mr. SHIMKUS). The unfinished business is the question of suspending the rules and passing the bill, H.R. 1006, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 1006, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 419, nays 0, not voting 15, as follows:

[Roll No. 634]

YEAS—419

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—15

Andrews
Ballance
Bishop (NY)
Collins
Cubin
Davis (IL)
Fletcher
Gephardt
Gingrey
Hobson
Isakson
Menendez
Moran (VA)
Smith (WA)
Sullivan

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1336

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

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. MORAN of Virginia. Mr. Speaker, on rollcall No. 634 I was unavoidably detained. Had I been present, I would have voted ''yea.''

Mr. MENENDEZ. Mr. Speaker, on rollcall No. 634, I was unavoidably detained in traffic. Had I been present, I would have voted ''yea.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the remainder of this series will be conducted as 5-minute votes.

EXPRESSING THE SENSE OF CONGRESS REGARDING THE IMPORTANCE OF MOTORSPORTS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 320.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 320, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 20, as follows:

[Roll No. 635]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich

LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—20

Andrews
Ballance
Bishop (NY)
Carter
Collins
Conyers
Cubin
Davis (IL)
Fletcher
Franks (AZ)
Gephardt
Isakson
Jefferson
Lofgren
Obey
Rodriguez
Schakowsky
Smith (MI)
Smith (WA)
Sullivan

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1344

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3491.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the bill, H.R. 3491, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 409, nays 9, not voting 16, as follows:

[Roll No. 636]

YEAS—409

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—9

Akin
Coble
Flake
Johnson, Sam
Jones (NC)
Paul
Sensenbrenner
Smith (MI)
Taylor (NC)

NOT VOTING—16

Andrews
Ballance
Bishop (NY)
Collins
Cubin
Davis (IL)
Fletcher
Gephardt
Houghton
Isakson
John
Kirk
Larson (CT)
Smith (WA)
Sullivan
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1351

So (two thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

The SPEAKER pro tempore. The unfinished business is the question on the motion to instruct conferees on the bill, H.R. 1.

The Clerk will designate the motion.

The Clerk designated the motion.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Nevada (Ms. BERKLEY) on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 203, nays 218, not voting 13, as follows:

[Roll No. 637]

YEAS—203

Abercrombie	Hill	Napolitano
Ackerman	Hinchey	Neal (MA)
Alexander	Hinojosa	Oberstar
Allen	Hoeffel	Obey
Baca	Holden	Olver
Baird	Holt	Ortiz
Baldwin	Honda	Owens
Becerra	Hooley (OR)	Pallone
Bell	Hoyer	Pascrell
Berkley	Inslee	Pastor
Berman	Israel	Payne
Berry	Jackson (IL)	Pelosi
Bishop (GA)	Jackson-Lee (TX)	Pomeroy
Blumenauer	Jefferson	Price (NC)
Boehlert	John	Rahall
Boswell	Johnson, E. B.	Rangel
Boucher	Jones (NC)	Reyes
Boyd	Jones (OH)	Rodriguez
Brady (PA)	Kanjorski	Ross
Brown, Corrine	Kaptur	Rothman
Capps	Kennedy (RI)	Roybal-Allard
Capuano	Kildee	Ruppersberger
Cardin	Kilpatrick	Rush
Cardoza	Kind	Ryan (OH)
Carson (IN)	Kleczka	Sabo
Carson (OK)	Kucinich	Sanchez, Linda T.
Case	Lampson	Sanchez, Loretta
Clay	Langevin	Sanders
Clyburn	Lantos	Sandlin
Conyers	Larsen (WA)	Schakowsky
Cooper	Larson (CT)	Schiff
Costello	Leach	Scott (GA)
Cramer	Lee	Scott (VA)
Crowley	Levin	Serrano
Cummings	Lewis (GA)	Sherman
Davis (AL)	Lipinski	Skelton
Davis (CA)	Lofgren	Slaughter
Davis (FL)	Lowey	Snyder
Davis (TN)	Lucas (KY)	Solis
DeFazio	Lynch	Spratt
DeGette	Majette	Stark
Delahunt	Maloney	Stenholm
DeLauro	Markey	Strickland
Deutsch	Marshall	Stupak
Dicks	Matheson	Sweeney
Dingell	Matsui	Tanner
Doggett	McCarthy (MO)	Tauscher
Dooley (CA)	McCarthy (NY)	Taylor (MS)
Doyle	McCollum	Thompson (CA)
Edwards	McDermott	Thompson (MS)
Emanuel	McGovern	Tierney
Engel	McHugh	Towns
Eshoo	McIntyre	Turner (TX)
Etheridge	McNulty	Udall (CO)
Evans	Meehan	Udall (NM)
Farr	Meek (FL)	Van Hollen
Fattah	Meeks (NY)	Velazquez
Filner	Menendez	Visclosky
Ford	Michaud	Waters
Frank (MA)	Millender-McDonald	Watson
Frost	Miller (NC)	Watt
Gonzalez	Miller, George	Waxman
Gordon	Mollohan	Weiner
Green (TX)	Moore	Wexler
Grijalva	Moran (VA)	Woolsey
Gutierrez	Murtha	Wu
Hall	Nadler	Wynn
Harman		
Hastings (FL)		

NAYS—218

Aderholt	Gilchrest	Otter
Akin	Gillmor	Oxley
Bachus	Gingrey	Paul
Baker	Goode	Pearce
Ballenger	Goodlatte	Pence
Barrett (SC)	Goss	Peterson (MN)
Bartlett (MD)	Granger	Peterson (PA)
Barton (TX)	Graves	Petri
Bass	Green (WI)	Pickering
Beauprez	Greenwood	Pitts
Bereuter	Gutknecht	Platts
Biggert	Harris	Pombo
Bilirakis	Hart	Porter
Bishop (UT)	Hastings (WA)	Portman
Blackburn	Hayes	Pryce (OH)
Blunt	Hayworth	Putnam
Boehner	Hefley	Quinn
Bonilla	Hensarling	Radanovich
Bonner	Herger	Ramstad
Bono	Hobson	Regula
Boozman	Hoekstra	Rehberg
Bradley (NH)	Hostettler	Renzi
Brady (TX)	Houghton	Reynolds
Brown (SC)	Hulshof	Rogers (AL)
Brown-Waite, Ginny	Hunter	Rogers (KY)
	Hyde	Rogers (MI)
Burgess	Issa	Rohrabacher
Burns	Istook	Ros-Lehtinen
Burr	Janklow	Royce
Burton (IN)	Jenkins	Ryan (WI)
Buyer	Johnson (CT)	Ryun (KS)
Calvert	Johnson (IL)	Saxton
Camp	Johnson, Sam	Schrock
Cannon	Keller	Sensenbrenner
Cantor	Kelly	Sessions
Capito	Kennedy (MN)	Shadegg
Carter	King (IA)	Shaw
Castle	King (NY)	Shays
Chabot	Kingston	Sherwood
Chocola	Kirk	Shimkus
Coble	Kline	Shuster
Cole	Knollenberg	Simmons
Cox	Kolbe	Simpson
Crane	LaHood	Smith (MI)
Crenshaw	Latham	Smith (NJ)
Culberson	LaTourette	Smith (TX)
Cunningham	Lewis (CA)	Souder
Davis, Jo Ann	Lewis (KY)	Stearns
Davis, Tom	Linder	Tancredo
Deal (GA)	LoBiondo	Tauzin
DeMint	Lucas (OK)	Taylor (NC)
Diaz-Balart, L.	Manzullo	Terry
Diaz-Balart, M.	McCotter	Thomas
Doolittle	McCrery	Thornberry
Dreier	McInnis	Tiahrt
Duncan	McKeon	Tiberi
Dunn	Mica	Toomey
Ehlers	Miller (FL)	Turner (OH)
Emerson	Miller (MI)	Upton
English	Miller, Gary	Vitter
Everett	Moran (KS)	Walden (OR)
Feeney	Murphy	Walsh
Ferguson	Musgrave	Wamp
Flake	Myrick	Weldon (FL)
Foley	Nethercutt	Weldon (PA)
Forbes	Neugebauer	Weller
Fossella	Ney	Whitfield
Franks (AZ)	Northup	Wicker
Frelinghuysen	Norwood	Wilson (NM)
Gallegly	Nunes	Wilson (SC)
Garrett (NJ)	Nussle	Wolf
Gerlach	Osborne	Young (AK)
Gibbons	Ose	Young (FL)

NOT VOTING—13

Andrews	Cubin	Isakson
Ballance	Davis (IL)	Smith (WA)
Bishop (NY)	DeLay	Sullivan
Brown (OH)	Fletcher	
Collins	Gephardt	

□ 1409

Mr. SMITH of New Jersey changed his vote from ''yea'' to ''nay.''

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. SWEENEY. Mr. Speaker, please be advised that on the Berkley motion to instruct on November 19, 2003, I inadvertently voted ''yea'' when my intent was to vote ''nay.''

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 2003

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1824) to amend the Foreign Assistance Act of 1961 to reauthorize the Overseas Private Investment Corporation, and for other purposes.

The Clerk read as follows:

S. 1824

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 ''Overseas Private Investment Corporation Amendments Act of 2003''.

SEC. 2. ISSUING AUTHORITY.

Section 235(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)) is amended by striking ''November 1, 2000'' and inserting ''2007''.

SEC. 3. TECHNICAL CORRECTIONS.

(a) ADMINISTRATIVE COSTS.—Section 235(a)(1)(B) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(1)(B)) is amended by striking ''subsidy cost'' and inserting ''subsidy and administrative costs''.

(b) NONCREDIT ACCOUNT REVOLVING FUND.—Section 235(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(c)) is amended—

(1) in the first sentence—

(A) by striking ''an insurance and guaranty fund, which shall have separate accounts to be known as the Insurance Reserve and the Guaranty Reserve, which reserves'' and inserting ''a noncredit account revolving fund, which''; and

(B) by striking ''such reserves have'' and inserting ''of the fund has'';

(2) by striking the third sentence; and

(3) in the last sentence, by striking ''reserves'' and inserting ''fund''.

(c) PAYMENTS TO DISCHARGE LIABILITIES.—Section 235(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(d)) is amended—

(1) in the first sentence, by striking ''Insurance Reserve, as long as such reserve'' and inserting ''noncredit account revolving fund, as long as such fund''; and

(2) in the second sentence, by striking ''or under similar predecessor guaranty authority'' and all that follows through ''subsection (f) of this section'' and inserting ''or 234(c) shall be paid in accordance with the Federal Credit Reform Act of 1990''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 235(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(f)) is amended—

(1) in the first sentence, by striking ''insurance and guaranty fund'' and inserting ''noncredit account revolving fund''; and

(2) by striking ''Insurance Reserve'' each place it appears and inserting ''noncredit account revolving fund''.

(e) BOARD OF DIRECTORS.—Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended in the second paragraph—

(1) by striking ''officials'' and inserting ''principal officers'';

(2) by inserting ''whose duties relate to the programs of the Corporation'' after ''Government of the United States''; and

(3) by striking ''an official'' and inserting ''one such officer''.

SEC. 4. INVESTMENT INSURANCE.

(a) EXPROPRIATION OR CONFISCATION.—Section 234(a)(1)(B) of the Foreign Assistance Act of 1961 (22 U.S.C. 2194(a)(1)(B)) is amended by inserting ''or any political subdivision thereof'' after ''government''.

(b) DEFINITION OF EXPROPRIATION.—Section 238(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(b)) is amended by inserting '',

a political subdivision of a foreign government, or a corporation owned or controlled by a foreign government,'' after ''government''.

SEC. 5. LOCAL CURRENCY GUARANTY.

(a) LOCAL CURRENCY GUARANTY.—Section 234 of the Foreign Assistance Act of 1961 (22 U.S.C. 2194) is amended by adding at the end the following:

''(h) LOCAL CURRENCY GUARANTIES FOR ELIGIBLE INVESTORS.—To issue to—

''(1) eligible investors, or

''(2) local financial institutions, guaranties, denominated in currencies other than United States dollars, of loans and other investments made to projects sponsored by or significantly involving eligible investors, assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine, for projects that the Corporation determines to have significant developmental effects or as the Corporation determines to be necessary or appropriate to carry out the purposes of this title.''.

(b) DEFINITION OF LOCAL FINANCIAL INSTITUTION.—Section 238 of the Foreign Assistance Act of 1961 (22 U.S.C. 2198) is amended—

(1) in subsection (d), by striking ''and'' after the semicolon;

(2) in subsection (f), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(g) the term 'local financial institution'—

''(1) means any bank or financial institution that is organized under the laws of any country or area in which the Corporation operates; but

''(2) does not include a branch, however organized, of a bank or other financial institution that is organized under the laws of a country in which the Corporation does not operate.''.

SEC. 6. OUTREACH TO MINORITY- AND WOMEN-OWNED BUSINESSES.

(a) IN GENERAL.—Section 240 of the Foreign Assistance Act of 1961 (22 U.S.C. 2200) is amended—

(1) in the first sentence, by striking ''The Corporation'' and inserting:

''(a) IN GENERAL.—The Corporation''; and

(2) by adding at the end the following:

''(b) OUTREACH TO MINORITY-OWNED AND WOMEN-OWNED BUSINESSES.—The Corporation shall collect data on the involvement of minority- and women-owned businesses in projects supported by the Corporation, including—

''(1) the amount of insurance and financing provided by the Corporation to such businesses in connection with projects supported by the Corporation; and

''(2) to the extent such information is available, the involvement of such businesses in procurement activities conducted or supported by the Corporation.

The Corporation shall include, in its annual report submitted to the Congress under section 240A, the aggregate data collected under this paragraph, in such form as to quantify the effectiveness of the Corporation's outreach activities to minority- and women-owned businesses.''.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to pass the bill before us this afternoon, S. 1824, the Overseas Private Investment Corporation Amendments Act of 2003. This bipartisan measure, which passed the Senate on November 14 by unanimous consent, would extend the authority to the Overseas Private Investment Corporation through September 30, 2007.

This action is necessary in light of the fact that the authority for this important agency originally terminated on September 30 of this year and that its continuation on an emergency basis expires at the end of this week. This Member, therefore, asks his colleagues to pass this bill so it can be sent to the President and signed into law without delay. Its provisions are identical to those contained in H.R. 3145 which was approved by voice vote by the Committee on International Relations on September 25.

The OPIC Amendments Act of 2003 makes technical and conforming changes to OPIC's statutes, allows the corporation to offer its investment insurance in several key markets, including acts of an entity owned or controlled by a foreign government, permits the corporation to provide a guarantee of local currency loans made by a locally-established bank in countries without an established banking presence, and directs the corporation to collect data on the involvement of minority- and women-owned businesses in all of its projects.

This key development agency has compiled an impressive track record since its inception in 1971, supporting U.S. investors in overseas markets in order to help our exporters. At the same time, it has created more than 250,000 jobs in the U.S. and led to $64 billion in U.S. exports. It operates on a self-sustaining basis, returning approximately $200 million each year to the U.S. Treasury, and helps to support other key U.S. development programs.

Members' support of this measure will ensure that OPIC continues to play a developmental role in frontline states such as Pakistan and Afghanistan and will permit it to implement investment and financing programs in Iraq at minimal cost to the American taxpayer. Therefore, this Member urges support of this measure.

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

The SPEAKER pro tempore. Without objection, the gentlewoman from Nevada (Ms. BERKLEY) will assume control of the time for the minority.

There was no objection.

Ms. BERKLEY. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of S. 1824.

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

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield such time as he may consume to the distinguished gentleman from California (Mr. ROHRABACHER), a member of the committee.

Mr. ROHRABACHER. Mr. Speaker, I rise in support of S. 1824, a bill to reauthorize funding for the Overseas Private Investment Corporation. I never supported OPIC in the past because, until recently, what OPIC basically did was provide insurance for Fortune 500 corporations to invest overseas, and when those investments went belly up, the American taxpayer picked up the bill. OPIC was basically an ATM machine for the Fortune 500.

Well, things are different now. Things are changing at OPIC for the better.

A new president, Dr. Peter Watson, is in charge of OPIC, and OPIC funds are now being channeled to business initiatives that promote democracy and justice and are in the interests of the American people.

One case of particular interest is that of Ethiopia.

□ 1415

Ethiopia is a case of particular interest. Ethiopia is run today by leaders who are inclined towards war and who frequently violate the rights of honest people whose property has been confiscated by their government. Some of these victims are U.S. citizens. One of the victims is Mr. Berhane, my constituent, and now a U.S. citizen. The Berhane family is a very well-respected family in Orange County. We all know them and respect them as honest, hard-working people.

Mr. Berhane owned a successful enterprise in Ethiopia that was stolen, confiscated by Ethiopia's former Marxist dictatorship. Although the current regime in Ethiopia claims that such stolen property will be returned, they refuse to give the Berhane family back their business or offer just compensation.

Members of Congress and officials from the executive branch have warned the government of Ethiopia that this issue is taken seriously; and it will, therefore, have damaging repercussions if this injustice to the Berhane family continues.

Underscoring this new commitment at OPIC, I have been informed that OPIC will no longer consider any project for Ethiopia until this American family is properly compensated for their property, for their confiscated property. Let the government of Ethiopia be forewarned, this issue will not stop here. We applaud OPIC today. Funding for Ethiopia by multilateral development banks and the United States Agency for International Development is in jeopardy. It will be called into question until Americans are treated fairly in Ethiopia and their just claims dealt with honestly.

I applaud OPIC and call on those who run Ethiopia not to hurt their own people for selfish reasons and to give the

Berhane family back its property. I call on my colleagues to support this reauthorization of OPIC which is now reconforming itself to those noble principles which justified the creation of OPIC in the beginning, and it is doing so demonstrably in my district by standing up for this American family. So I am very proud to stand for the reauthorization of OPIC today.

The SPEAKER pro tempore (Mr. SHIMKUS). Without objection, the remainder of the time will be controlled by the gentleman from California (Mr. LANTOS) for the minority.

There was no objection.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I might consume.

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

Mr. LANTOS. Mr. Speaker, I rise in strong support of S. 1824, the Overseas Private Investment Corporation Amendments Act of 2003.

Mr. Speaker, I would first like to express my deep appreciation to the gentleman from Illinois (Chairman HYDE), who once again demonstrated outstanding leadership in managing this all-encompassing, bipartisan committee review of OPIC's operations and management.

On November 4 of this year, the Committee on International Relations reported H.R. 3145, the identical companion bill to the legislation we are considering today. All of the language in the committee's report should be considered directly applicable to the reauthorization we are voting on today.

Mr. Speaker, OPIC has faced its share of controversy over many years. In particular, OPIC's mission to support private investment in developing countries has sometimes seemed to be in conflict with its own statutory responsibilities regarding loss of U.S. jobs and the protection of the environment.

OPIC's leadership recently has made significant efforts to address these issues. I want to commend Dr. Peter Watson, the president and CEO of the Overseas Private Investment Corporation, for his commitment to ensuring that OPIC complies with its statutory mandate on environment and labor rights standards.

The reauthorization package we have before us is sound. Not only does the bill reauthorize OPIC through September 30, 2007, but it reflects a comprehensive, bipartisan compromise between the committee, OPIC, and all of its stakeholders.

I am particularly pleased, Mr. Speaker, that our package will address the concerns shared by many of my colleagues in recent years about the effectiveness of OPIC's safeguards to ensure that its projects support the interests of American workers, protect the global environment, and support human rights.

I want to thank my distinguished colleague, the gentleman from Illinois (Mr. HYDE), for his willingness to work with us to address these concerns. The report language we have agreed upon directs OPIC to establish a robust and independent accountability mechanism on these matters, which I strongly believe will help guarantee broad congressional support for this important institution.

Mr. Speaker, this legislation has strong bipartisan support, as well as the support from environmental and labor groups. I urge all of my colleagues to support OPIC's reauthorization by voting in favor of this legislation.

Mr. Speaker, before I close, I include for the RECORD two letters from OPIC President Watson to Chairman HYDE and me that were crucial to our side's support for this legislation.

OVERSEAS PRIVATE
INVESTMENT CORPORATION,
Washington, DC, October 30, 2003.

Hon. HENRY HYDE,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

Hon. TOM LANTOS,
Ranking Member, Committee on International Relations, House of Representatives, Washington, DC.

DEAR CHAIRMAN HYDE AND CONGRESSMAN LANTOS: As Congress prepares to conclude action on legislation to reauthorize the Overseas Private Investment Corporation (OPIC), I wanted to affirm to you again my strong commitment to OPIC's statutory mandates with regard to the environment.

During my confirmation hearing before the Senate Foreign Relations Committee in May 2001, I said, ''I support OPIC's rejection of applications for projects that pose major or unreasonable hazards to the environment, health and safety. OPEC should continue to support only environmentally responsible development.'' I believe that my actions and decisions over the past two years in promoting environmentally sound development have given substance to these words.

Over this time, I have had the opportunity to talk with members of the International Relations Committee and Congressional Committee staff concerning OPIC's environmental stewardship, and to discuss ways to make our program more accountable and transparent. My meetings with Representative Earl Blumenauer have been particularly valuable in this regard.

Based on these many discussions, I want to confirm to the Committee my intent, in consultation with stakeholders, to create an ''accountability mechanism'' at OPIC. Among other functions, it is my intention that the mechanism will allow for a robust, consistent and independent environmental evaluation of OPIC projects, policies and practices, ensuring that OPIC environmental program is the model for best practices in other bilateral and multilateral institutions, and that the agency continues to meet its developmental goals in the most environmentally responsible manner. I look forward to beginning this ambitious process in the coming weeks.

I also want to confirm to the Committee my intent to continue the dialogue with stakeholders on a ''transparency'' initiative. Among other functions, such an initiative is intended to ensure that stakeholders can more clearly see how OPIC is implementing its statutory mandates and policy commitments concerning environmental stewardship. This initiative would heighten transparency and information disclosure concerning OPIC's projects and internal mechanisms. I look forward to re-engaging in this dialogue in the coming weeks and months.

Additionally, with a view toward fully supporting our statutory mandates and enhancing the contribution provided to the Corporation by the Board of Directors, I wanted to inform the Committee that when a private sector Director term expires, I am prepared to recommend to the Administration that a future private sector Director have, as part of that individual's professional qualifications, substantial experience in advocating for or managing regulatory compliance with environmental standards.

I deeply appreciate the bipartisan support OPIC has received from the Committee over the past year, and look forward to continuing to work with you and other members of the Committee in the future.

Best regards,

PETER S. WATSON,
President & CEO.

OVERSEAS PRIVATE
INVESTMENT CORPORATION,
Washington, DC, October 30, 2003.

Hon. HENRY J. HYDE,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

Hon. TOM LANTOS,
Ranking Member, Committee on International Relations, House of Representatives, Washington, DC.

DEAR CHAIRMAN HYDE AND CONGRESSMAN LANTOS: Thank you for your letter of October 29, 2003. Let me say that I am deeply honored by your generous comments regarding OPIC's recent progress toward fulfilling its developmental mission and important foreign policy priorities. Cooperation with the Committee has been essential to OPIC's successes to date, and I look forward to continuing our close cooperation with the Committee into the future.

Your letter also referenced OPIC's establishment of a separate Office of Investment Policy and requested a summary of the functions and policies of the new office in carrying out OPIC's development mission, including worker rights. I am pleased to provide the following to you in response.

Prior to 2001, OPIC statutory review for environmental, worker rights, human rights and U.S. effects conditionalities were performed in OPIC's Financial Management and Statutory Review Department (FMSR). The Department fell under the responsibility of the Vice President and Treasurer, which was predominantly focused on the agency's budget and accounting function.

As this office did not give the priority needed to enforce its statutory responsibilities, I set out to correct the situation by separating the budget and accounting functions from the statutory review functions when I assumed my responsibilities as President & CEO in 2001.

The result was a new Office of the Chief Financial Officer, created to deal exclusively with budget and accounting activities. Concurrently, I created the Office of Investment Policy with the special responsibility for OPIC's environmental, U.S. effects, human rights and worker rights conditionalities, integrating all major statutory review functions into one department.

Accordingly, in creating an office headed by a new Vice President, consideration of statutory review functions was for the first time elevated to the same level as OPIC's product departments, Finance, Insurance and Investment Funds, with full voting rights in OPIC internal deliberative mechanisms. The result has been an overall elevation of and improvement in OPIC's handling of its statutory conditionalities. Allow

me now to make a brief description of the functions of the office:

Environment

OPIC is required by statute to conduct an environmental assessment of every project proposed for insurance or financing and to decline support for investment projects that, in OPIC's judgment, would have an unreasonable or major adverse impact on the environment, or on the health or safety in the host country. For most industrial sectors, OPIC expects projects to meet the more stringent of World Bank or host-country environmental, health and safety standards.

For projects in sectors designated as ''environmentally sensitive'' a full Environmental Impact Assessment (EIA) must be submitted for OPIC's review. As part of its review process, OPIC lists every such project on OPIC's web site for a 60-day public comment period.

U.S. effects

OPIC supports only those projects that are not likely to harm the U.S. economy or have a negative effect on U.S. employment. Additionally, OPIC will not support ''runaway plants,'' which substitute existing U.S. facilities with foreign plants to serve the same markets. By statute, and consistent with overall U.S. government policy, OPIC does not participate in projects subject to performance requirements that would substantially reduce the potential U.S. trade benefits of the investments.

Human rights

OPIC's statute directs the agency to take human rights into account in the operation of its programs and to operate its programs consistent with the provisions of Section 116 of the Foreign Assistance Act. OPIC consults the State Department's Bureau for Democracy, Human Rights and Labor Affairs, (DRL) with respect to each and every project considered for OPIC financing and insurance, as well as downstream transactions undertaken by OPIC supported investment funds. No project commitment is concluded by OPIC until DRL has provided OPIC with its clearance on human rights.

Worker rights

OPIC has the strongest worker rights mandate of any international financial institution, multilateral or bilateral. OPIC is prohibited by statute from supporting projects that contribute to violations of internationally recognized worker rights. What is unique about OPIC's statutory mandate is that it operates on both the country eligibility and project levels.

OPIC promotes worker rights on the country level by withholding eligibility for OPIC programs from countries that are excluded from eligibility from the Generalized System of Preferences (GSP) on worker rights grounds, as well as other non-GSP countries that fail to take steps to adopt and implement internationally recognized worker rights. On the project level, the mandate is implemented through contractual obligations between OPIC and the companies OPIC supports. These obligations incorporate host country labor laws and International Labor Organization (ILO) standards to ensure that projects do not cause worker rights violations.

OPIC monitors worker rights in the field and requires companies to promptly remediate worker rights violations or face the default and other legal remedies available under OPIC's authority. Looking to the future, OPIC hopes to work with stakeholders to enhance compliance with internationally recognized worker rights. We also hope that this process will improve due diligence, reporting and monitoring procedures providing detailed, accurate and timely information on worker rights, and concurrently, that enforcement procedures are comprehensive, effective and transparent. I wish to assure the Committee of my strong personal interest and involvement in this regard, and look forward to sharing the results of our efforts with the Committee on a regular basis.

Future activities

I would also take this opportunity to confirm to the Committee my intent, in consultation with stakeholders, to create an accountability mechanism at OPIC. Among other functions, it is my intention that the mechanism will allow for a robust, consistent and independent evaluation of social, labor, human rights and transparency standards of OPIC projects, policies and practices.

I also want to confirm to the Committee my intent to continue the dialogue with stakeholders on a ''transparency'' initiative. Among other functions, such an initiative is intended to ensure that stakeholders can more clearly see how OPIC is implementing its statutory mandates and policy commitments concerning its stewardship of social, labor and human rights issues. This initiative would heighten transparency and information disclosure concerning OPIC's projects and internal mechanisms. I look forward to re-engaging in this dialogue in the coming weeks and months.

In closing, I would like to express my appreciation to the Committee for its support, and I look forward to working with you in the future.

Best regards,

PETER S. WATSON,
President & CEO.

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

Mr. BEREUTER. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS) for his statement and for the cooperation that he and other Members on his side of the aisle and the staff of both sides of the aisle have given us in the advancement of this legislation to reauthorize OPIC.

Mr. Speaker, I urge all Members to support the reauthorization of this very worthy, important agency.

Mr. MANZULLO. Mr. Speaker, I rise in support of the Overseas Private Investment Corporation Amendments Act of 2003 (S. 1824), which will reauthorize the vital programs of the Overseas Private Investment Corporation (OPIC) for another four years. As the author of the previous OPIC reauthorization bill in 1999 (P.L. 106–158), I am pleased to strongly endorse S. 1824.

Since 1971, OPIC-supported projects have facilitated $145 billion worth of investments in hundreds of projects that have helped developing countries and emerging economies of the former East Bloc improve their standard of living. In addition, OPIC-supported projects have helped to create or sustain 254,000 American jobs and $65 billion in exports; expanded economic development; encouraged political stability; and promoted free market reforms around the world.

As an additional benefit, OPIC operates at no net cost to taxpayers by charging fees for its services. It has earned a profit in each year of operations—$175 million in 2002—and built its substantial reserves to more than $4 billion. I wish every government agency operated like OPIC by producing a profit for the taxpayer. All of OPIC's guaranty and insurance obligations are backed by OPIC's own substantial reserves and by the full faith and credit of the U.S. Government.

As chairman of the Small Business Committee, I am particularly pleased that under the current leadership of OPIC President and CEO Peter Watson, OPIC has launched two significant initiatives to encourage greater use of OPIC's programs by small business exporters to fulfill the mandate contained in P.L. 106–158 to expand OPIC's small business efforts. First, in July 2003, OPIC announced the establishment of a new department focusing on small and medium-size businesses. The Small and Medium Enterprise Department will be responsible for OPIC's Direct Loan program, which provides financing to U.S. businesses with annual revenues under $250 million. The Small Business Center will also be part of the new department. Small businesses looking to participate in the global marketplace have unique requirements. Lack of resources to pursue opportunities abroad, concern over political risks, or the inability to find private sector support can prevent U.S. small businesses from expanding overseas. The Small Business Center at OPIC will help meet these needs by providing financing and political risk insurance to small businesses with annual revenues of less than $35 million.

Second, OPIC and a small business lender. WorldBusiness Capital, Inc. (WBC) of Hartford, Connecticut, in July 2003 entered into a historic cooperative agreement that will expand support for U.S. small businesses investing overseas and enhance the activities of OPIC's Small Business Center. Under the agreement, OPIC will provide loan guarantees for WBC projects pursuant to a risk-sharing arrangement. WBC will make loans with its own funds, and will continue to monitor and service each loan. WorldBusiness Capital, Inc. intends to make OPIC-guaranteed loans of between $250,000 and $10 million to U.S. small businesses expanding into overseas markets. Hopefully, this private-public partnership will set an example for other banks to enter into similar arrangements to publicize and maximize the leverage of OPIC's programs to small business exporters. Delegated authority lenders and preferred lenders are quite common programs at the Export-Import Bank of the United States and the Small Business Administration. The same should hold true for OPIC.

Mr. Speaker, it is a privilege and honor for me to support the Overseas Private Investment Corporation Amendments Act of 2003. I commend my good friends, Chairman HENRY HYDE of Illinois and ranking minority Member TOM LANTOS of California of the House International Relations Committee for working so hard on this bill and bringing it to the floor in a timely manner. My only regret is that my duties on the Small Business Committee prevented me from taking a more active role in the OPIC reauthorization process this time around. I urge my colleagues to support S. 1824.

Mr. THOMAS. Mr. Speaker, I submit two letters for the record with respect to S. 1824, legislation to reauthorize the Overseas Private Investment Corporation (OPIC). These letters are a letter that I wrote to Dr. Peter S. Watson, President and CEO of OPIC, and the letter that I received from Dr. Watson in response clarifying OPIC's statutory obligations and existing practices with respect to issues regarding worker rights.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, November 18, 2003.

Hon. PETER S. WATSON,
President and Chief Executive Officer, Overseas Private Investment Corporation, Washington, DC.

DEAR MR. WATSON: The House of Representatives may soon consider H.R. 3145, legislation to reauthorize the operations of the Overseas Private Investment Corporation (OPIC) through September 30, 2007. It is my understanding that nothing in this reauthorization would alter in any way OPIC's statutory obligations or existing practices with respect to issues regarding worker rights. I request that you provide the Committee, in writing, with confirmation of this understanding and a complete summary of any and all of OPIC's existing statutory obligations and practices with regards to worker rights.

I look forward to hearing from you.

Best regards,

BILL THOMAS,
Chairman.

OVERSEAS PRIVATE
INVESTMENT CORPORATION,
Washington, DC, November 18, 2003.

Hon. WILLIAM M. THOMAS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN THOMAS: Thank you for your letter of November 18, 2003. Your letter referenced H.R. 3145, legislation to reauthorize the operations of ah Overseas Private Investment Corporation (OPIC) through September 30, 2007, and it requested both a confirmation that nothing in this reauthorization would alter in any way OPIC's statutory obligations or existing practices with respect to issues regarding worker rights and a summary of such existing statutory obligations and practices.

OPIC shares your understanding that H.R. 3145 would not alter in any way OPIC's statutory obligations or existing practices with respect to issues regarding worker rights. On the country level, under current law and OPIC practice, OPIC ''may insure, reinsure guarantee, or finance a project only if the country in which the project is to be undertaken is taking steps to adopt and implement laws that extended internationally recognized workers rights'' to workers in that country, unless ''the President determines that such activities by OPIC would be in the national economic interests of the United States.'' (22 U.S.C. 2191a(a)).

In addition, OPIC is prohibited from providing ''assistance for any program, project, or activity that contributes to the violation of internationally recognized worker rights'' of workers in the recipient country. (Sec. 533 of the Consolidated Appropriations Resolution, 2003.) In this context, ''internationally recognized worker rights'' means ''the right of association; the right to organize and bargain collectively; [and] a prohibition on the use of any form of forced or compulsory labor.'' Sec. 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)). ''Internationally recognized worker rights'' also includes ''a minimum age for the employment of children, and a prohibition on the worst forms of child labor . . .; and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health'' (Sec. 507(4) of the Trade Act of 1974) to the extent ''commensurate with the level of development of the recipient country and sector,'' and in a manner that ''shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.'' (See 533 of the Consolidated Appropriations Resolution, 2003.

OPIC's statutory obligations and current practice also require it to include language in its contracts requiring eligible investors to observe the applicable laws of the recipient country. In all contracts which OPIC enters into with eligible investors, OPIC includes the following language, ''The investor agrees not to take actions to prevent employees of the foreign enterprise from lawfully exercising their right of association and their right to organize and bargain collectively. The investor further agrees to observe applicable laws relating to a minimum age for the employment of children, acceptable conditions of work with respect to minimum wages, hours of work, and occupational health and safety, and not to use forced labor. The investor is not responsible under this paragraph for the actions of a foreign government.'' (22 U.S.C. 2191a(a)(1)).

Best regards,

PETER S. WATSON,
President & CEO.

Mr. BLUMENAUER. Mr. Speaker, I support the reauthorization of the Overseas Private Investment Corporation (OPIC) and the important role it plays in assisting emerging markets in developing countries and promoting U.S. exports, which creates jobs here at home. OPIC's operations and activities have supported over 250,000 U.S. jobs and produced $64 billion of U.S. exports.

With this important role comes a responsibility to ensure that projects promoted by OPIC uphold adequate environmental, labor, and human rights standards, I am pleased that OPIC is taking steps to ensure this responsibility is upheld. The Report accompanying this legislation outlines the International Relations Committee's expectation that OPIC continue its work towards implementing an ''accountability mechanism'' and ''transparency initiative.''

The accountability mechanism should be in the form of an independent position within OPIC that evaluates and reports on environmental, social, labor and human rights impacts. The transparency initiative should make certain that interested stakeholders have appropriate access to information concerning OPIC's projects. This level of transparency will strengthen OPIC's programs and policies.

I expect this Congress and the International Relations Committee to monitor OPIC's progress towards these initiatives through hearings and reports. I look forward to continued dialogue with OPIC on these issues to strengthen the link between economic development, and environmental and social progress.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the Senate bill, S. 1824.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

RECOGNIZING THE 5TH ANNIVERSARY OF THE SIGNING OF THE INTERNATIONAL RELIGIOUS FREEDOM ACT OF 1998

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 423) recognizing the 5th anniversary of the signing of the International Religious Freedom Act of 1998 and urging a renewed commitment to eliminating violations of the internationally recognized right to freedom of religion and protecting fundamental human rights, as amended.

The Clerk read as follows:

H. RES. 423

Whereas the people of the United States enjoy and respect the freedom of religion and believe that the fundamental rights of all individuals shall be recognized;

Whereas fundamental human rights, including the right to freedom of thought, conscience, and religion, are protected in numerous international agreements and declarations;

Whereas religious freedom is a fundamental human right and all people are entitled to believe, practice, and worship according to their conscience;

Whereas the right to freedom of religion is expressed in the Declaration on the Elimination of All Forms of Intolerance and Discrimination Based on Religion or Belief, adopted and proclaimed by the United Nations General Assembly Resolution 36/55 of November 22, 1981; the Helsinki Accords; the International Covenant on Civil and Political Rights, done at New York on December 16, 1966, and entered into force March 23, 1976; the United Nations Charter; and the Universal Declaration of Human Rights, adopted and proclaimed by the United Nations General Assembly Resolution 217(A)(III) of December 10, 1984;

Whereas the freedom for all individuals to adopt, believe, worship, observe, teach, and practice a religion individually or collectively has been explicitly articulated in Article 18 of the Universal Declaration of Human Rights and Article 18(1) of the International Covenant on Civil and Political Rights;

Whereas religious persecution is not confined to a country, a region, or a regime; but whereas all governments should provide and protect religious liberty;

Whereas much of the world's population is continually denied or restricted in the right to believe or practice their faith;

Whereas religious persecution often includes confinement, separation, humiliation, rape, enslavement, forced conversion, imprisonment, torture, and death;

Whereas October 27, 2003, marks the 5th anniversary of the signing of the International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.), creating the Office of International Religious Freedom in the Department of State and the United States Commission on International Religious Freedom and resulting in a greater awareness of religious persecution both in the United States and abroad; and

Whereas the United States recognizes the need for additional domestic and international attention and action to promote religious liberty: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes the 5th anniversary of the signing of the International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.); and

(2) urges a renewed commitment to eliminating violations of the internationally recognized right to freedom of religion and protecting fundamental human rights.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. WOLF), the author of this legislation 5 years ago, a very hard-working chairman of the Subcommittee on Commerce, Justice, State, Judiciary and Related Agencies but, from my point of view, even more importantly, a leader in the area of human rights, and has been for the last 23 years as a Member of Congress.

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I want to thank the gentleman from New Jersey (Mr. SMITH) for his leadership and the gentleman from California (Mr. LANTOS) for his leadership on this issue.

Mr. Speaker, I rise today to recognize, as I said the other day, every time these issues come up, it is the gentleman from New Jersey (Mr. SMITH), the gentleman from Illinois (Mr. HYDE), the gentleman from California (Mr. LANTOS). I mean, everyone else ought to be participating in this too; but I want them to know, and Chairman HYDE too, how much I appreciate it.

But think about it, every time a bill comes up dealing with persecution and oppression, it is always those three gentlemen. Why can we not get 432 other people to come on over and join these three patriots?

Mr. Speaker, I rise today to recognize and thank the United States Commission on International Religious Freedom. This fall we celebrate the 5th year of the commission and thank them for their tireless efforts to bring awareness to religious freedom violations across the globe. Those around the world suffering persecution for the religious beliefs have truly benefited from the commitment of the commission.

The commission produces an annual report. Each report helps to bring visibility to oppressive governments that violate the basic freedoms of their citizens. The protection of human rights and the plight of those suffering for their faith must not, should not ever fall on deaf ears. Someone must fight for them.

Nameless victims in China, including Tibet, which is not part of China, although the Chinese may think it is, China, Tibet, Vietnam, Sudan, Indonesia, India, Pakistan, Vietnam, and many other places where faith is under attack are waiting for a message of hope, waiting to hear that we in the United States care.

When the United States speaks out, the Congress, the government, we can make a difference. We cannot stand idly by and watch innocent people suffer. We must not let terrible atrocities go unchallenged. We have a moral obligation to speak out.

The United States Commission on International Freedom is shining a bright light in some of the darkest corners of the world. I commend them, encourage their continued work on behalf of the oppressed and persecuted people around the globe.

Mr. Speaker, Article 18 of the Universal Declaration of Human Rights states:

''Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.''

I rise today to recognize and thank the United States Commission on International Religious Freedom. This fall we celebrate the fifth year of the commission and thank them for their tireless effort to bring awareness to religious freedom violations across the globe.

The commission was created by Congress in 1998 to shine a light on and generate a heightened awareness of the ongoing atrocities associated with persecution of individuals around the world for their religious beliefs.

As a results of their investigations, hearings, and reports, the commission has provided Congress and the administration with timely and accurate information on religious freedom abuses and sound policy recommendations to the president, the secretary of state, and Congress.

Those around the world suffering persecution for their religious beliefs have truly benefitted from the commitment of the commission. The commission produces an annual report. Each report helps to bring visibility to oppressive governments that violate the basic freedoms of their citizens.

As an example, look at what is occurring in some of these countries:

China—According to the Cardinal Kung Foundation, there are at least 22 Roman Catholic bishops in Chinese prisons, labor camps or under house arrest. Numerous Protestant House Church leaders and worshipers in China have been imprisoned or detained. Large numbers of Muslims in China are in prison because of their faith. Young Muslim Uighur boys and girls are not even allowed to enter a mosque until they are 18 years old. Hundreds more bishops, priests, and lay people are already in prison. Torture and death are common.

Tibet—Buddhist monks and nuns are in prison and hundreds of monasteries and nunneries have been destroyed. Yet loyalty to the Dalai Lama remains strong. Despite this brutal crackdown by the government of China, the Tibetan people remain strong and cling to their heritage and unique identity.

Sudan—Millions have died in the 20-year civil war and the majority have been Christians who starved to death.

Egypt—The Coptic Christians continue to experience harassment and persecution.

Pakistan—The government has failed to protect the rights of religious minorities. Christians are persecuted and blasphemy laws are strong.

Iran—Bahais are persecuted and imprisoned because of their faith.

India—Violence is ongoing against Christians, churches are burned or destroyed, nuns raped.

Indonesia—Christian churches and Muslim mosques are attacked and burned.

Saudi Arabia—State Department annual report on human rights documents that freedom of religion does not exist and that non-Muslim groups are not allowed to worship in public, and risk being detained, imprisoned, tortured, or deported. Conversion form Islam to another religion is punishable by death.

Vietnam—Buddhist, Protestants, Catholics and minority groups suffer intense persecution at the hands of brutal communist rulers.

It goes on and on.

The protection of human rights and the plight of those suffering for their faith must not fall on deaf ears. Someone must fight for them. Nameless victims in China, Vietnam, Sudan, Indonesia, India, Pakistan, Vietnam and the many other places where faith is under attack are waiting for a message of hope, waiting to hear that we care.

When the United States speaks out, the United States makes a difference. We cannot stand idly by and watch innocent people suffer. We must not let terrible atrocities go unchallenged. We have a moral obligation to speak out.

The United States Commission on International Religious Freedom is shining a bright light in some of the darkest corners of the world. They have made a difference over the last 5 years and continue to have an impact on the lives of the suffering people of the world. I commend them and encourage their continued work on behalf of the oppressed and persecuted people around the globe.

As the President recently stated in his speech for the National Endowment for Democracy ''The bedrock of successful societies is the right to religious liberty.''

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution. Let me begin by commending my good friend and colleague, the gentleman from Virginia (Mr. WOLF), for sponsoring this important resolution. As co-chairman of the Congressional Human Rights Caucus, Congressman WOLF has been tireless in his support for human rights and religious liberty around the globe. Without his passionate commitment and determination, we would not have passed this landmark piece of legislation.

Mr. Speaker, I would be remiss if I did not also commend the distinguished vice chairman of the Committee on International Relations, the gentleman from New Jersey (Mr. SMITH), my good friend, who is another tireless advocate for human rights and who was pivotal in the passage of the Religious Freedom Act.

In the 5 years since President Clinton signed the Religious Freedom Act and established the Office of International Religious Freedom and the United States Commission on Religious Freedom, huge strides have been made in making religious freedom a core objective of U.S. foreign policy.

In addition to the full-time diplomatic work of these two offices, the annual report on international religious freedom published by the State Department every year, these documents and the diplomatic efforts give hope to millions of people who are denied the ability to proclaim freely and to practice freely their faith.

The Religious Freedom Act also requires the Department of State to

name and to sanction the most egregious violators of religious freedom. This asks for the United States annually to confront governments like China, Egypt, and Saudi Arabia for their policies of religious persecution and discrimination. The Religious Freedom Act has given our government an important set of tools to use to document and confront the alarming reemergence of virulent anti-Semitism in Europe and elsewhere.

Mr. Speaker, I am pleased that the resolution we are considering today stresses the need to renew the commitment of the Congress to the promotion of religious liberty. Religious freedom continues to be under siege in many parts of the world, and we must rededicate ourselves to the effort to confront the violators.

Mr. Speaker, freedom of religion and conscience are the cornerstones of liberty and of democracy. That is why religion is the first freedom enumerated in our Bill of Rights. If we succeed in promoting religious liberty in the United States' foreign policy, we will not only bring an end to unfathomable human suffering, but we will also advance the development of democracy and we will promote other fundamental human rights.

Mr. Speaker, I urge all of my colleagues to support H. Res. 423.

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

□ 1430

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to join the gentleman from California (Mr. LANTOS) and my good friend, the gentleman from Virginia (Mr. WOLF) in support of this resolution which clearly is important to recognize the fifth anniversary of the signing of the International Religious Freedom Act of 1998 because that was an historic landmark piece of legislation. And we today renew our commitment, rededicate ourselves to promoting the tolerance that was embodied in that legislation, that anyone's faith or lack of faith needs to be respected. Certainly, at a time when there is a growing intolerance, particularly in the Middle East and in places like the People's Republic of China, where we have actually seen a worsening of religious oppression, we need to speak out boldly and clearly and unambiguously for religious freedom. This legislation, the law and, the heartfelt sentiments behind it are going to be carried forward robustly to bring freedom to those persecuted for their faith.

Let me also point out that there are a number of countries that are off many people's radar screens. China, yes, we know it is bad and getting worse there, particularly as it relates to the Uygurs—the Muslims—the Buddhists, and the Falon Gong—who are being tortured and mistreated in growing numbers, even followed by Chinese agents into this country and harassed, which, is amazing to me—as well as the underground Catholic Church and the underground Evangelical and Christian Church. If you are not part of the officially recognized Chinese Government-controlled Church, watch out. You will be severely dealt with, particularly if you step over a very ambiguous line they have made in the sand.

Let me say that this legislation was landmark. There are countries like Turkmenistan, Cuba, Uzbekistan, Saudi Arabia, and Vietnam that have seen a deterioration, as well as Georgia, Azerbaijan, Kirkastan, Bellarus and even Russia.

I would point out to my colleagues that some of the more matured democracies, like France, have seen a growing intolerance when it comes to religious expression. As a matter of fact, I spent 2 hours meeting with the prime author of their religious cults legislation and was appalled at the far-reaching nature of that legislation, to designate a body of religious belief or denomination a cult. Once branded, it comes under the severe repression of the government; and my hope is that that legislation will be junked in the near future, although I will not hold my breath. But in good countries like France, where you would expect there to be a tolerance, we see the tide going in the other direction.

As a matter of fact, the Chinese and other governments have actually looked at the French model and are looking to emulate it and to put a cover, a facade, on their own repression harkening back to that legislation.

I just want to point out to my colleagues as well, that getting here 5 years ago was not all that easy. The gentleman from California (Mr. LANTOS) will remember that we went through several iterations of the language that the gentleman from Virginia (Mr. WOLF) originally introduced, always with his full concurrence and his meticulous attention to detail. The previous administration, at first, was against it. Secretary Albright and John Shattuck, the Assistant Secretary, said if we pass this, we will somehow set up a hierarchy of human rights. If ever there was a bogus argument, that was it.

When all of us joined in on passing and implementing the Jackson-Vanik amendment, we did not set up a hierarchy of human rights when it came to immigration. When many of us were against, as we all were, apartheid in South Africa and believed that sanctions were a means to that end, which I believed very strongly, that did not say we were putting racism above any other human rights. It was in addition to, not in lieu of. And, thankfully, and with the help of my friend, the gentleman from California (Mr. LANTOS), we were able to craft legislation that, ultimately, the Clinton Administration signed into law; and now, 5 years later, is being very, very vigorously implemented by the Bush Administration.

Let me also remind my colleagues this act created an ambassador at large, which is now being ably filled by Tom Hanford. He has a great staff. Tom Farr, who recently retired, did the yeoman's work in that position. There was not a country on the face of the Earth, there was not a religious intolerance or practice that he was not aware of, as well as the staff. They did a very good job in chronicling accurately what indeed is going on around the world. And from the basis of that chronicling, we are able to take more effective action.

We also created a Commission on International Religious Freedom, which is also staffed, as well as manned, by commissioners who are experts in the fields, and I think they are doing a tremendous job in giving us an independent look, in addition to the State Department office, as to what is going on in country after country as it relates to religious freedom.

I would just say to my colleagues that for the countries of particular concern, the designation that was created in the legislation has also been very, very useful. But I would hope, and I recently wrote, along with other Members, a letter to Secretary Colin Powell asking that some of the countries that are not on this list right now be put on it because of either their deterioration with regard to religious freedom or because they have been ongoing, egregious violators on it. And some of those countries we would like to see on the list include Turkmenistan, Saudi Arabia and Vietnam. We believe they should be designated as CPCs. Hopefully, as the analysis is done on their practices, the State Department will come to that determination.

Again, I want to thank my colleagues. When we finally got this legislation down to the White House 5 years ago after numerous hearings, rewrites and rewrites and rewrites, it was a good bipartisan product; and, again, the gentleman from California (Mr. LANTOS) was there every step of the way, working with us on that legislation. I actually chaired the subcommittee that worked on it. We held the hearings together and made sure that this legislation was shepherded through the House and into the Senate. But the yeoman's work was done by the gentleman from Virginia (Mr. WOLF) and I again want to single him out and say how grateful we all are for this landmark and historic piece of legislation.

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

Mr. LANTOS. Mr. Speaker, I yield 8 minutes to the gentleman from Texas (Mr. EDWARDS), my good friend and distinguished colleague, who has been a fighter for religious freedom throughout his distinguished congressional tenure.

Mr. EDWARDS. Mr. Speaker, I rise in support of House Resolution 423, which recognize the fifth anniversary of the

signing of the International Religious Freedom Act of 1998.

Religious freedom, without a doubt, should be a fundamental right of every citizen of the world. And I want to commend the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) for their tireless leadership in defending that right for all. This resolution urges ''a renewed commitment to eliminating the violations to the internationally recognized right to freedom of religion.''

I strongly agree that we should make that renewed commitment. Earlier this morning, a number of House Members, along with the gentleman from New Jersey (Mr. SMITH) in the last few moments rightly criticized religious bigotry and discrimination in Vietnam, Cambodia, Afghanistan, China and other nations around the world. I applaud my colleagues for saying that the world should not tolerate torture, imprisonment or murder of people because of their personal religious faith.

I also I am deeply grateful to live in the United States, where we do not imprison citizens because their religious faith is different from others. I belief perhaps America's greatest single contribution to the world, from our experiment in democracy, is our model of religious freedom and tolerance.

The foundation of that religious freedom here is the principle of the separation of church and state embedded in the first 16 words of our Bill of Rights. ''Congress shall pass no law respecting an establishment of religion or prohibiting the free exercise thereof.''

In his letter to the Danbury Baptists of Connecticut in 1802, Thomas Jefferson expressed his belief that the principle of church-state separation is one of the most sacred of our founding principles. Unfortunately, many Americans today have come to perceive that separation of church and state implies disrespect for religion. Nothing could be further from the truth as Jefferson said so eloquently over a century ago.

Separation of church and state does not mean keeping people of faith out of government. It does means keeping government out of our faith.

By passing language saying ''Congress shall pass no law respecting an establishment of religion'' known as the establishment clause of the Bill of Rights, our Founding Fathers were putting religion on a pedestal so high that no hand of politicians or government could reach it and control it.

Our Founding Fathers were right, separation of church and state in America has led to more religious freedom, vitality and tolerance than any nation in the world, perhaps throughout the history of the world. Most nations have gotten it wrong because they have tried to use the power of government to fund religion or to emphasize one religion or faith over another.

With government funding has come government regulation of religion, and, ultimately, the result has been intolerance against those whose faiths are not in the majority of that country.

While I am profoundly grateful for our religious freedom in America, I am also deeply disturbed by recent Bush administration regulations and proposed laws that would limit religious freedom right here at home, the religious freedom of American citizens. It would be ironic and tragic for Members of Congress to be pushing today for more religious freedom abroad while allowing religious freedom to be limited here in America. Let me be specific.

This resolution says, ''Whereas the right to freedom of religion is expressed in the declaration on the elimination of all forms of intolerance and discrimination based on religion or belief.''

Instead of eliminating all forms of intolerance and discrimination based on religious belief, the Bush administration actually supports using Federal tax dollars to subsidize religious discrimination. This is known as the so-called Charitable Choice proposals. Under Bush administration proposals, an American citizen can be fired from a Federally-funded job solely because of his or her personal religious faith.

Now, let me repeat that. Under Bush administration proposals, an American citizen can be fired from a Federally-funded, tax-supported job for no other reason than that person's religious faith. The administration, for example, would allow a group that associated with Bob Jones University to accept $1 million in job training funds and $1 million tax dollars, your dollars and mine. And then with some of that money put out a sign that says, no Jews or Catholics need apply here to this Federally-funded job.

That is offensive, and it is outrageous, and it should not be allowed in America. To allow and to actually subsidize such religious discrimination when using American tax dollars is wrong, and it is unconstitutional.

We all know why, for example, a Baptist Church can hire a Baptist minister with their own money to carry out the church's own spiritual mission. However, long-standing Federal policy has been when organizations receive Federal tax dollars to run social service programs, not religious programs, they cannot discriminate in job hiring based simply on a person's religious faith. Yet, President Bush's administration wants to change that policy for billions of tax dollars and for potentially hundreds of thousands jobs. For example, the administration wants to contract out, privatize up to 850,000 present Federal jobs. And in that proposal, they say a group accepting millions of dollars, totaling billions if you add them all up, for hundreds of thousands of jobs, that those groups receiving our tax dollars, and say I am not hiring you because you do not pass my personal religious test.

I believe the administration position flies in the face of this resolution today, the Bill of Rights and Americans' personal religious freedom. No American citizen should have to pass any other person's religious test to qualify for a tax-funded job.

Mr. Speaker, it is right for House Members to stand up for religious freedom in other nations as we are today, but I would suggest we should more carefully examine how Bush administration policies will lead to religious discrimination right here at home. If Americans are denied the right to a Federally-funded job, the opportunity and effect to feed their families simply because someone else did not like their personal religious faith, then those Americans are clearly being denied the free exercise of their religious freedom.

Perhaps most Americans to date have not been concerned about these so-called charitable choice provisions, first because they probably were not aware that these proposals have been made by the administration; and, second, most Americans think that the 1st amendment protects our religious freedom so no one can threaten it. But in the years ahead, if the Bush administration charitable choice proposals continue to be implemented as they are being done right now, dozens, then hundreds, and ultimately thousands of Americans will be denied a tax-funded job single my because of their personal faith.

□ 1445

I project that Americans will be outraged to find out that this United States Congress, the same Members who are voting to push religious freedom in other nations, the right thing to do, are voting to deny religious freedom and to subsidize with tax dollars job discrimination against Americans based on their religious faith.

While we are right to condemn religious discrimination in other nations, we should stop subsidizing religious discrimination here in America. Religious freedom is a cherished right for all American citizens. Congress has a responsibility on a bipartisan basis to stop the Bush administration proposals, which would put that right at risk for thousands and thousands of American citizens. If we are going to preach religious freedom to other nations, perhaps we should also practice it here at home.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to the gentleman from Virginia (Mr. SCOTT), my good friend and distinguished colleague.

Mr. SCOTT of Virginia. Mr. Speaker, I thank my colleague for yielding me the time.

Mr. Speaker, I have the honor of serving in this body as a Representative from Virginia, the home State of James Madison and Thomas Jefferson who authored the statute on religious freedom which served as a model for the religious freedom provisions in our Bill of Rights. So I am pleased to rise in support of H. Res. 423, recognizing

the fifth anniversary of the signing of the International Religious Freedom Act of 1998 and urging renewed commitment to eliminating violations of the internationally recognized right to freedom of religion and protecting fundamental human rights.

I want to thank my distinguished colleague from Virginia (Mr. WOLF) for his sponsorship of this resolution.

I agree with the provisions, the whereases in this resolution: whereas religious freedom is an absolute right and all people are entitled to do with their own souls as they choose; whereas the right of freedom of religion is expressed in the declaration on the elimination of all forms of intolerance and discrimination based on religion or belief adopted and proclaimed by the United Nations and many other organizations; whereas freedom of all individuals to adopt, believe, worship, observe, teach and practice a religion individually or collectively has been explicitly articulated; whereas religious persecution is not confined to a country, a region, or a regime; but whereas all governments should provide and protect religious liberty. I agree with all of those principles, but I feel compelled to point out that this House has not always followed the principles articulated in the resolution.

For example, just a few months ago, this House in the Head Start reauthorization bill, by a very close vote rejected the long-standing principle that teachers could not be fired or denied employment solely because of their religious belief. Instead, we adopted a provision which allows the 8 percent of the Head Start programs which are faith-based to discriminate based on religion, with Federal money, not the church money, but with the Federal money. Ironically, that vote to allow the discrimination came one day after congressional leaders participated in a ceremony praising the 40th anniversary of the March on Washington. Ironic because one of the few articulated purposes and successes of the March on Washington was a prohibition against employment discrimination with Federal money.

Head Start, since inception, has prohibited employment discrimination based on religion, and hopefully the Senate will reject the House action and reaffirm the prohibitions against discrimination with the Federal money.

So, Mr. Speaker, as we celebrate the International Religious Freedom Act and condemn religious intolerance, we ought to renew our own commitment to that principle here in the United States and condemn efforts to allow employment discrimination with Federal money based solely on religious beliefs.

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. FRANKS), my good friend and colleague.

Mr. FRANKS of Arizona. Mr. Speaker, it has now been 5 years since the International Religious Freedom Act was signed into law, and our view of the world has changed very dramatically since then due to a number of factors, primarily September 11 and the war against terrorism. The fundamental right of religious freedom is one of the very most critical foundations of this Republic.

Mr. Speaker, we must never forget that our Nation was founded by those who fled their country to preserve the inalienable right to religious liberty; and throughout the history of our Nation, people have left their homes in the cover of night to escape to the United States due to the religious persecution in their own countries. Unfortunately, in many places in the world today, the right to choose and practice one's faith is still not protected.

Mr. Speaker, it is so vitally imperative that we as a Nation continue to work to eliminate violations of religious freedom and human rights. One of the most compelling and pressing issues at this moment, and one where we have a great deal of leverage, is our responsibility to help establish true freedom in Afghanistan and Iraq. True freedom in those nations is absolutely impossible a,part from provisions in their new constitutions that absolutely guarantee full religious freedom for every one of their people.

Our principal efforts in those countries, if we do nothing else, must center on preserving the right of religious freedom for every individual. It is critical, Mr. Speaker, even to the war on terrorism because constitutionally guaranteed religious freedom creates a vital framework for discussion and debate. It has the power to turn the war of weapons into a war of words. May we not forget that critical truth.

Mr. Speaker, Patrick Henry stated it this way. He said, ''I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past.'' He understood the urgency and nature of the battle when he declared, ''There is no longer any room for hope. If we wish to be free, if we mean to preserve inviolate those inestimable privileges for which we have been so long engaged, and which we have pledged ourselves never to abandon until the glorious object of our contest shall be obtained, we must fight!''

Mr. Speaker, indeed, we have fought but we now must ask ourselves what it was we were truly fighting for. I believe we fought, as President Bush said, for the ''advance of freedom'' because ''we believe that freedom, the freedom we prize, is not for us alone; it is the right and capacity of all mankind.'' Guided by the lamp of our own experience of our own Nation, in those words, the President makes the most compelling argument that I can imagine for the United States to renew its commitment to eliminating violations of the right to religious freedom and to protecting fundamental human rights for every human being across the world.

Mr. PAUL. Mr. Speaker, I rise to oppose this legislation but want to make it clear that I am not doing so because I oppose religious freedom, as one might falsely conclude from the way this bill is crafted. My concerns with this bill are the same concerns I raise whenever Congress attempts to act in areas in which it has no constitutional authority: under the guise of promoting a laudable cause—religious freedom—this legislation seeks to impose our views of this topic on other sovereign nations. In short, it is yet another example of the U.S. meddling in the affairs of other countries.

Mr. Speaker, as Americans we have a special attachment to the idea of religious freedom. That is the reason many of our ancestors came to this land and fought for independence. But I don't think the way to advance religious freedom around the world is to demand that every country adopt our approach. I believe that so demanding will only engender ill-will toward the United States and, ironically, increased resistance to this idea. People generally to not like being told by foreign countries what to do or how they can worship. I believe the best way we can promote the idea of religious liberty abroad is to serve as a working, living example of the benefits of liberty. The United States has been admired historically in other countries because our system of government demonstrates the economic and other benefits of liberty. That is why other nations seek to emulate the United States, not because we demand that their religious laws conform to our notions of what is acceptable.

Mr. LANTOS. Mr. Speaker, we have no additional requests for time, and I yield back the balance of our time.

Mr. SMITH of New Jersey. Mr. Speaker, we have no further requests for speakers, and I yield back the balance of our time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, H. Res. 423, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

FAIRNESS TO CONTACT LENS CONSUMERS ACT

Mr. BURR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3140) to provide for availability of contact lens prescriptions to patients, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3140

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 ''Fairness to Contact Lens Consumers Act''.

SEC. 2. AVAILABILITY OF CONTACT LENS PRESCRIPTIONS TO PATIENTS.

(a) IN GENERAL.—When a prescriber completes a contact lens fitting, the prescriber—

(1) whether or not requested by the patient, shall provide to the patient a copy of the contact lens prescription; and

(2) shall, as directed by any person designated to act on behalf of the patient, provide or verify the contact lens prescription by electronic or other means.

(b) LIMITATIONS.—A prescriber may not—

(1) require purchase of contact lenses from the prescriber or from another person as a condition of providing a copy of a prescription under subsection (a)(1) or (a)(2) or verification of a prescription under subsection (a)(2);

(2) require payment in addition to, or as part of, the fee for an eye examination, fitting, and evaluation as a condition of providing a copy of a prescription under subsection (a)(1) or (a)(2) or verification of a prescription under subsection (a)(2); or

(3) require the patient to sign a waiver or release as a condition of verifying or releasing a prescription.

SEC. 3. IMMEDIATE PAYMENT OF FEES IN LIMITED CIRCUMSTANCES.

A prescriber may require payment of fees for an eye examination, fitting, and evaluation before the release of a contact lens prescription, but only if the prescriber requires immediate payment in the case of an examination that reveals no requirement for ophthalmic goods. For purposes of the preceding sentence, presentation of proof of insurance coverage for that service shall be deemed to be a payment.

SEC. 4. PRESCRIBER VERIFICATION.

(a) PRESCRIPTION REQUIREMENT.—A seller may sell contact lenses only in accordance with a contact lens prescription for the patient that is—

(1) presented to the seller by the patient or prescriber directly or by facsimile; or

(2) verified by direct communication.

(b) RECORD REQUIREMENT.—A seller shall maintain a record of all direct communications referred to in subsection (a).

(c) INFORMATION.—When seeking verification of a contact lens prescription, a seller shall provide the prescriber with the following information:

(1) Patient's full name and address.

(2) Contact lens power, manufacturer, base curve or appropriate designation, and diameter when appropriate.

(3) Quantity of lenses ordered.

(4) Date of patient request.

(5) Date and time of verification request.

(6) Name of contact person at seller's company, including facsimile and telephone number.

(d) VERIFICATION EVENTS.—A prescription is verified under this Act only if one of the following occurs:

(1) The prescriber confirms the prescription is accurate by direct communication with the seller.

(2) The prescriber informs the seller that the prescription is inaccurate and provides the accurate prescription.

(3) The prescriber fails to communicate with the seller within 8 business hours, or a similar time as defined by the Federal Trade Commission, after receiving from the seller the information described in subsection (c).

(e) INVALID PRESCRIPTION.—If a prescriber informs a seller before the deadline under subsection (d)(3) that the contact lens prescription is inaccurate, expired, or otherwise invalid, the seller shall not fill the prescription. The prescriber shall specify the basis for the inaccuracy or invalidity of the prescription. If the prescription communicated by the seller to the prescriber is inaccurate, the prescriber shall correct it.

(f) NO ALTERATION.—A seller may not alter a contact lens prescription. Notwithstanding the preceding sentence, if the same contact lens is manufactured by the same company and sold under multiple labels to individual providers, the seller may fill the prescription with a contact lens manufactured by that company under another label.

(g) DIRECT COMMUNICATION.—As used in this section, the term ''direct communication'' includes communication by telephone, facsimile, or electronic mail.

SEC. 5. EXPIRATION OF CONTACT LENS PRESCRIPTIONS.

(a) IN GENERAL.—A contact lens prescription shall expire—

(1) on the date specified by the law of the State in which the prescription was written, if that date is one year or more after the issue date of the prescription;

(2) not less than one year after the issue date of the prescription if such State law specifies no date or a date that is less than one year after the issue date of the prescription; or

(3) notwithstanding paragraphs (1) and (2), on the date specified by the prescriber, if that date is based on the medical judgment of the prescriber with respect to the ocular health of the patient.

(b) SPECIAL RULES FOR PRESCRIPTIONS OF LESS THAN 1 YEAR.—If a prescription expires in less than 1 year, the reasons for the judgment referred to in subsection (a)(3) shall be documented in the patient's medical record. In no circumstance shall the prescription expiration date be less than the period of time recommended by the prescriber for a reexamination of the patient that is medically necessary.

(c) DEFINITION.—As used in this section, the term ''issue date'' means the date on which the patient receives a copy of the prescription.

SEC. 6. CONTENT OF ADVERTISEMENTS AND OTHER REPRESENTATIONS.

Any person that engages in the manufacture, processing, assembly, sale, offering for sale, or distribution of contact lenses may not represent, by advertisement, sales presentation, or otherwise, that contact lenses may be obtained without a prescription.

SEC. 7. PROHIBITION OF CERTAIN WAIVERS.

A prescriber may not place on the prescription, or require the patient to sign, or deliver to the patient a form or notice waiving or disclaiming the liability or responsibility of the prescriber for the accuracy of the eye examination. The preceding sentence does not impose liability on a prescriber for the ophthalmic goods and services dispensed by another seller pursuant to the prescriber's correctly verified prescription.

SEC. 8. RULEMAKING BY FEDERAL TRADE COMMISSION.

The Federal Trade Commission shall prescribe rules pursuant to section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) to carry out this Act. Rules so prescribed shall be exempt from the requirements of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act (15 U.S.C. 2301 et seq.). Any such regulations shall be issued in accordance with section 553 of title 5, United States Code. The first rules under this section shall take effect not later than 180 days after the effective date of this Act.

SEC. 9. VIOLATIONS.

(a) IN GENERAL.—Any violation of this Act or the rules required under section 8 shall be treated as a violation of a rule under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) regarding unfair or deceptive acts or practices.

(b) ACTIONS BY THE COMMISSION.—The Federal Trade Commission shall enforce this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act.

SEC. 10. STUDY AND REPORT.

(a) STUDY.—The Federal Trade Commission shall undertake a study to examine the strength of competition in the sale of prescription contact lenses. The study shall include an examination of the following issues:

(1) Incidence of exclusive relationships between prescribers or sellers and contact lens manufacturers and the impact of such relationships on competition.

(2) Difference between online and offline sellers of contact lenses, including price, access, and availability.

(3) Incidence, if any, of contact lens prescriptions that specify brand name or custom labeled contact lenses, the reasons for the incidence, and the effect on consumers and competition.

(4) The impact of the Federal Trade Commission eyeglasses rule (16 C.F.R. 456 et seq.) on competition, the nature of the enforcement of the rule, and how such enforcement has impacted competition.

(5) Any other issue that has an impact on competition in the sale of prescription contact lenses.

(b) REPORT.—Not later than 12 months after the effective date of this Act, the Chairman of the Federal Trade Commission shall submit to the Congress a report of the study required by subsection (a).

SEC. 11. DEFINITIONS.

As used in this Act:

(1) CONTACT LENS FITTING.—The term ''contact lens fitting'' means the process that begins after the initial eye examination and ends when a successful fit has been achieved or, in the case of a renewal prescription, ends when the prescriber determines that no change in prescription is required, and such term may include—

(A) an examination to determine lens specifications;

(B) except in the case of a renewal of a prescription, an initial evaluation of the fit of the lens on the eye; and

(C) medically necessary follow up examinations.

(2) PRESCRIBER.—The term ''prescriber'' means, with respect to contact lens prescriptions, an ophthalmologist, optometrist, or other person permitted under State law to issue prescriptions for contact lenses in compliance with any applicable requirements established by the Food and Drug Administration.

(3) CONTACT LENS PRESCRIPTION.—The term ''contact lens prescription'' means a prescription, issued in accordance with State and Federal law, that contains sufficient information for the complete and accurate filling of a prescription, including the following:

(A) Name of the patient.

(B) Date of examination.

(C) Issue date and expiration date of prescription.

(D) Name, postal address, telephone number, and facsimile telephone number of prescriber.

(E) Power, material or manufacturer or both.

(F) Base curve or appropriate designation.

(G) Diameter, when appropriate.

(H) In the case of a private label contact lens, name of manufacturer, trade name of private label brand, and, if applicable, trade name of equivalent brand name.

SEC. 12. EFFECTIVE DATE.

This Act shall take effect 60 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. BURR) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. BURR).

GENERAL LEAVE

Mr. BURR. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BURR. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, today is a great day for the 36 million contact lens wearers across the United States. Today, Republicans and Democrats have come together to help contact lens wearers by improving their access to the competitive contact lens marketplace in granting them the right to their contact lens prescriptions.

People who wear glasses may not recognize the importance of this legislation because, unlike contact lens wearers, they have had these rights since 1978. Now, 25 years later, contact lens wearers have the same rights to their prescriptions, without having to ask for them, and the ability to buy their lenses from any seller, be it an eye doctor, a discount club, or an Internet company.

I appreciate the support of the American Optometric Association, especially my optometrist in Winston Salem, North Carolina, Dr. Burke, who read through these drafts. He helped us as we put the bill together. He improved the legislation and put us where we are today.

Not only is this bill great for contact lens wearers, but it is, in my opinion, also good for eye doctors. I want them to listen. For the first time in Federal legislation, patients are told they must go back regularly to their eye doctors and get their contact lens prescriptions renewed. If patients try to buy contact lenses with expired prescriptions, sellers by law cannot fill their orders. This is a big deal, Mr. Speaker; and I am sure most physicians across this country would love Congress to pass legislation that required patients to come back to them on a regular basis. We do that in this legislation.

Additionally, H.R. 3140 will make it very hard for unlawful contact lens sellers to even stay in business. Right now, many contact lens sellers do not ask for physicians' contact information because the sellers have no intention of verifying the prescriptions. Multiple provisions in this bill will make this behavior illegal. Contact lens sellers will now be required to get all pertinent information from patients and call eye doctors' offices to verify that information. With the FTC enforcing this law, eye doctors should be assured that they will only have to do business with honest contact lens sellers.

Mr. Speaker, I want to thank the gentleman from California (Mr. STARK) and the gentleman from Wisconsin (Mr. SENSENBRENNER) for first introducing this legislation 8 years ago during the 104th Congress. They were the initial leaders on this issue, and I appreciate their efforts and the subsequent support on this legislation. I also want to thank the dean of our House, the gentleman from Michigan (Mr. DINGELL), and his staff for the excellent help in drafting this compromise piece of legislation that benefits all parties involved in the contact lens marketplace.

Finally, I want to thank the gentleman from Florida (Mr. STEARNS) and the gentleman from Louisiana (Mr. TAUZIN), the full committee chairman, and their staffs who shepherded this bill through the Committee on Energy and Commerce in record time.

Mr. Speaker, I urge my colleagues to support this.

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

Ms. SCHAKOWSKY. Mr. Speaker, I yield myself 5 minutes.

I rise in strong support and as an original cosponsor of H.R. 3140, the Fairness to Contact Lens Consumers Act. I am pleased that the House is taking action on this important measure before the end of the legislative session.

This is an important consumer rights issue. Thirty-six million Americans use contact lenses, and Congress must address the regulatory issues that impact the rights of those consumers and their ability to purchase contact lenses from their preferred vendors. We have a duty to make sure that consumers' interests are being met; that they have access to affordable and safe contact lenses; and that uniform standards regulate this process nationwide.

Several of my colleagues have spent a great deal of time studying the subject, including, of course, the gentleman from North Carolina (Mr. BURR), the gentleman from Michigan (Mr. DINGELL), the gentleman from New York (Mr. TOWNS), the gentleman from California (Mr. WAXMAN), and the gentleman from California (Mr. STARK); and I want to commend and thank them for their leadership.

□ 1500

As a contact lens user myself, I am glad to have the opportunity to take part in the debate and passage of this legislation and appreciate the opportunity to work with those who have crafted this legislation, as well as the distinguished chairman of the Subcommittee on Commerce, Trade and Consumer Protection, the gentleman from Florida (Mr. STEARNS). We appreciate the support also of the American Optometric Association for supporting this proconsumer legislation.

This bill will change current law to provide what we all agree to be needed changes, so that consumers are explicitly entitled to a copy of their contact lens prescription from their doctor. That way, they will have the freedom to shop around to get the best deal possible for filling their contact lens needs.

There have been reports of eye care providers unnecessarily preventing or delaying consumer access to their own prescriptions. There is some suggestion patients may not even know they are entitled to ask for their prescription. Clearly, we need to address those problems, and the legislation we are discussing today includes strong language guaranteeing those rights.

The bill requires eye doctors and optometrists to provide parents with a copy of their contact lens prescription, regardless of whether or not the patient asks for a copy. Under this measure, eye doctors and other prescribers are prohibited from requiring that consumers buy contact lenses from them as a condition of performing an eye exam or providing the prescription.

While consumers have a right to shop for the best deal when purchasing contact lenses, Congress, doctors, and industry all have a duty and an interest in making sure that patient safety is not compromised in the process. The Food and Drug Administration mandates that contact lens sales require a valid prescription from an eye care professional. With the increasing prevalence of mail order contact lens providers, whether through the Internet or 1–800 numbers, I believe it is important we give consumers expanded access while adhering to the FDA requirements.

In the interest of fairness to consumers and doctors, this legislation establishes clear uniform rules that will guarantee fairness and safety to contact lens consumers in every State, regardless of existing laws.

The bill creates a verification system that will ensure prompt filling of contact lens prescriptions. Under the legislation, when consumers place orders with third-party contact lens vendors, those vendors must verify the prescription with their doctors. Their doctors will then have 8 hours to respond. If they do not, the prescription will be deemed valid by the vendor and the order filled. These safeguards, coupled with time requirements, will ensure prompt and safe access to contact lenses at affordable prices for consumers.

This legislation requires the FTC to issue rules implementing the bill's requirements and empowers the FTC to enforce these rules. The new rules will become effective within 60 days of enactment.

I want to again commend those who worked to bring this proconsumer legislation to the floor, and I urge all of my colleagues to support it.

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

Mr. BURR. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS), the subcommittee chairman.

Mr. STEARNS. Mr. Speaker, I thank our distinguished colleague for yielding me this time, and thank him, of course, for H.R. 3140, the Fairness to Contact Lens Consumers Act.

As has already been pointed out, about 36 million Americans wear contact lenses, but those millions of Americans do not have a right to a copy of

their contact lens prescription. I think a lot of us did not realize that. This bill changes all of that, so doctors are required now to provide patients with a copy of their prescriptions whether they ask for it or not. So now it is their property, and they can use it as they wish.

Of course, with that prescription, the consumer now has an opportunity to be empowered so that the issue of competition is heightened in the contact lens market. Because unlike doctors who are prevented from filling drug prescriptions, eye doctors and optometrists are able to fill contact lens prescriptions. This sets up a conflict-of-interest situation, where third-party sellers are actually competing for the sale of lenses with the individual writing the prescription. That will all change under this bill.

So this bill requires doctors and optometrists to verify prescriptions with third-party sellers. If the doctor refuses, for example, to verify this prescription, then the verification is presumed. What this means is the consumer will no longer be caught between the doctor and the seller in a competitive tug-of-war where the consumer is always the loser. This bill gives power to consumers over their buying decisions and allows the consumer to make his choice.

I think it has been pointed out that the bill has also received the endorsement of the American Optometric Association and has received strong bipartisan support in the Committee on Energy and Commerce. It came out of the Subcommittee on Commerce, Trade, and Consumer Protection, which I chair, and it is a good piece of legislation. I support it and I commend the author.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. TOWNS), the lead Democratic cosponsor of the bill.

Mr. TOWNS. Mr. Speaker, let me begin by thanking the chairman of the committee, the gentleman from Louisiana (Mr. TAUZIN), and of course the ranking member of the full committee, the gentleman from Michigan (Mr. DINGELL), and to the gentleman from Florida (Mr. STEARNS), of course, and the ranking member as well, the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Mr. Speaker, this legislation is long overdue. This legislation will allow sellers to work in coordination with optometrists and ophthalmologists across the Nation to ensure that every consumer has access to their prescription in a timely fashion while making the contact lens marketplace more competitive.

Consumers deserve the best possible prices and service. Therefore, Congress must involve itself, as it is doing with H.R. 3140. I am proud that both sellers and the doctors have come together in support of this legislation, and I urge all of my colleagues to support this bill.

In addition to my friend, the gentleman from North Carolina (Mr. BURR), I would also like to thank the following: Kelly Zerzan, Jonathan Cordone, Jenny Hansen, and Jesse McCollum for their hard work on this bill as well.

Once again, I urge all of my colleagues to support H.R. 3140. It is a great bill and deserves the support of this House. Any time we can make life better for consumers, then we should be anxious and eager to do so, and there is no doubt in my mind that this legislation makes life a lot better for consumers. So I am delighted to support it and encourage my colleagues to do likewise.

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

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK), who worked hard on this legislation and over a long period of time.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, I extend my thanks as well to the gentleman from North Carolina for his enterprise and efforts in seeing this bill brought to the floor, and to thank the gentlewoman from Illinois (Ms. SCHAKOWSKY) for her work, as well as the people who have been mentioned, the gentleman from New York (Mr. TOWNS), the gentleman from Michigan (Mr. DINGELL), the gentleman from Louisiana (Mr. TAUZIN), the gentleman from California (Mr. WAXMAN), and others who have been concerned about it.

I think that I have today to give credit where credit is due. This bill should really be referred to as the Deborah Stark bill. Now, who is Deborah Stark? She happens to be the mother of my children and my long-suffering wife. And this bill has its genesis right down the road on Pennsylvania Avenue where she went one day, when we still lived in California full time, to have her eyes examined because her contact lenses were giving her problems and, hopefully, to get a new prescription and send it out to California to have it filled, so she would have her new contact lenses when she arrived home in California.

So she went to this physician down the road. And as she was about to leave, having then paid the bill, she was told that she could not have a copy of the prescription. She was, not surprisingly, incredulous. I was not only incredulous, I was mildly upset, and that led to this day.

So we do not sit back here, as many people think, as Members of Congress, and just dream up ways to make life complicated for ophthalmologists and optometrists. We respond, generally not to constituents quite so close to home, but we respond to the problems that people in this country have, and it takes us often a long time, in this case almost 10 years. But when we get there, we do a good job, as we see with the many people who have worked to do this.

I would like to add that Consumers Union was one of the early supporters of this bill and helped us to work it through. It is the law in California already, and I am sure that the other 30 million people who do not reside in California who wear contact lenses, I am too cowardly to stick my finger in my eye, so I do not, but many people will be pleased, and it will be of great convenience to them. I am one who happens to believe in free enterprise, and I think it is going to create some competition in the world and perhaps make lives better for everyone concerned in this.

So, again, my thanks to those people who worked so hard. It is a good bill. The consumers will benefit. The advocates for all the providers involved have worked with us to support it, and I urge its adoption.

I'm pleased to join with my colleagues on both sides of the aisle in support of the Fairness to Contact Lens Consumers Act and urge every Member of Congress to join us in voting for this important consumer protection legislation.

This bill requires eye care professionals to provide their patients with a copy of their contact lens prescription so the patient can choose to purchase their contact lenses from that professional or seek an alternative provider. The bill also enforces a verification system for prescriptions that puts the onus on eye doctors to quickly verify their patients' contact lens prescriptions. This makes real the option for consumers to purchase their contact lenses through third parties—such as online venders—which are often more affordable and convenient for consumers. This is a law my home State of California has already enacted and one that consumers deserve to have in all parts of our country.

This might not be a high profile issue, but it is important to the 36 million of contact lens wearers around the country. Eyeglass wearers have enjoyed unobstructed access to their eyeglass prescriptions since the Federal Trade Commission issued regulations in 1978 requiring their automatic release. Yet, 25 years later, similar action has yet to be taken for contact lens wearers. If this bill is enacted, we will finally have brought contact lens consumer protections up-to-date.

I got involved in this issue more than a decade ago when my wife asked her eye care provider in D.C. for her contact lens prescription so she would have it if she needed it while we were in California. To her—and my—astonishment, the provider refused to give her the prescription saying that the law did not require him to do so. We checked it out and he was correct. I've been working to fix this problem ever since.

The simple fact is that contact lenses are fast replacing eyeglasses as the corrective vision instrument of choice for consumers. Despite this trend, many States allow prescribing eye care professionals to refuse to release contact lens prescriptions to their patients. Eye doctors cite health concerns, but the fact is that they have a strong financial incentive to restrict consumer access to the contact lens market. Without their contact lens prescription in hand, consumers are forced to purchase

their lenses from their prescribing eye doctor—who obviously profits from each and every sale.

Over the years, I've introduced several bills to require the release of contact lens prescriptions. For the last several years, Representatives BURR, DINGELL, TAUZIN, WAXMAN, SCHAKOWSKY and I have been working together to fashion a bipartisan bill that can garner the support of a broad coalition to ensure its passage.

That day is here. I started out this effort with the support of Consumers Union and I'm pleased they have endorsed this version of the legislation as well. I'm also pleased that the American Optometric Association has been willing to come to the negotiating table and has also endorsed this final version of our legislation.

That tells you this is a good bill—we've got consumers and optometrists—the largest providers of contact lenses—agreeing that this day has come. It is time to update our consumer protection laws to ensure that contact lens wearers have the right to safely purchase their lenses from the provider that best meets their needs. Join us in support of H.R. 3140 to give consumers that right.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Mr. Speaker, I rise to express my strong support for H.R. 3140, the Fairness to Contact Lens Consumers Act. I am pleased to have been an original cosponsor of this bipartisan legislation. It simply does the right thing for consumers.

This legislation will require eye doctors and optometrists to provide patients with a copy of their prescription for contact lenses, regardless of whether or not the patient asks for that copy. And the bill also requires that these prescribers to verify and provide a copy of the prescription to any person designated by the consumer to act on their behalf, such as third-party sellers.

What many people may not know, is that eye doctors have been required to provide patients with a copy of their prescriptions for eyeglasses since 1978, but the same requirement for some reason has not been in place for contact lens prescriptions. Today, with around 36 million Americans wearing contact lenses, ensuring that consumers are able to obtain their contact lens prescriptions and make a choice in where they purchase their contact lenses is simply the right thing to do.

I strongly support this bill and urge my colleagues to vote for it.

Ms. SCHAKOWSKY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BURR. Mr. Speaker, I yield myself such time as I may consume to once again reiterate that this is a tremendous bipartisan effort that, as the gentleman from California (Mr. STARK) said, is well overdue, but this legislation is ripe today. I urge my colleagues to support it unanimously.

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

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from North Carolina (Mr. BURR) that the House suspend the rules and pass the bill, H.R. 3140, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. MORAN of Kansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

REGULATION OF NONCORRECTIVE CONTACT LENS AS MEDICAL DEVICES

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2218) to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of noncorrective contact lens as medical devices, and for other purposes.

The Clerk read as follows:

H.R. 2218

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

SECTION 1. FINDINGS.

The Congress finds as follows:

(1) All contact lenses have significant effects on the eye and pose serious potential health risks if improperly manufactured or used without appropriate involvement of a qualified eye care professional.

(2) Most contact lenses currently marketed in the United States, including certain plano and decorative contact lenses, have been approved as medical devices pursuant to premarket approval applications or cleared pursuant to premarket notifications by the Food and Drug Administration (''FDA'').

(3) FDA has asserted medical device jurisdiction over most corrective and noncorrective contact lenses as medical devices currently marketed in the United States, including certain plano and decorative contact lenses, so as to require approval pursuant to premarket approval applications or clearance pursuant to premarket notifications.

(4) All contact lenses can present risks if used without the supervision of a qualified eye care professional. Eye injuries in children and other consumers have been reported for contact lenses that are regulated by FDA as medical devices primarily when used without professional involvement, and noncorrective contact lenses sold without approval or clearance as medical devices have caused eye injuries in children.

SEC. 2. REGULATION OF CERTAIN ARTICLES AS MEDICAL DEVICES.

Section 520 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360j) is amended by adding at the end the following subsection:

''Regulation of Contact Lens as Devices

''(n)(1) All contact lenses shall be deemed to be devices under section 201(h).

''(2) Paragraph 1 shall not be construed as having any legal effect on any article that is not described in that paragraph.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 2218, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1515

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2218, which amends the Federal Food, Drug and Cosmetic Act to provide for the regulation of noncorrective contact lens as medical devices, and I commend the gentleman from Arkansas (Mr. BOOZMAN) for his work on this legislation.

As the corrective contact lens industry has grown, so has the practice of using noncorrective contact lenses for cosmetic purposes. Currently, there is very little regulation of these lenses. However, all contact lenses have significant effects on the eye and pose health risks if improperly manufactured or used without the supervision of a qualified eye care practitioner. Both corrective and noncorrective contact lenses have been approved as medical devices by the FDA. It just makes sense that the FDA should have the authority to regulate these lenses.

Mr. Speaker, having said that, I would urge all of my colleagues to support this important resolution.

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

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

Mr. Speaker, colored and patterned contact lenses can be a fun way to express one's sense of style. Noncorrective contact lenses that are manufactured responsibly and worn under the supervision of a qualified eye care professional are useful and a perfectly safe commodity.

For years, the FDA saw it that way too and properly classified colored contact lenses as medical devices. In fact, just over a year ago FDA issued an official notification noting that noncorrective contacts ''present significant risks of blindness and other eye injury if distributed without the involvement of a qualified eye professional.''

But in April, for whatever reason, and we have seen an FDA that has become more and more politicized in the last couple of years, but for some reason the FDA flip-flopped deciding that colored contact lenses were not medical devices and were instead cosmetics. This quiet, but important, policy change opened the door to a new public health threat.

By reclassifying colored contacts as cosmetics, FDA eliminated the requirement that these products be manufactured to exacting standards, that they be FDA approved for safety before marketing, and that they be labeled with directions for safe use. FDA has expressed concern about the safety of noncorrective lenses administered without a doctor's involvement. But FDA's decision to reclassify them in this increasingly politicized FDA, this decision to reclassify them eliminated its authority to require that very involvement.

Despite concerns raised by Members in the House, but more importantly by Prevent Blindness Ohio and other eye health advocates, FDA went ahead with this misguided plan. This bill corrects that mistake by statutorily reclassifying noncorrective contacts as medical devices by statute. This bill was carefully drafted to ensure that this would be its only effect, and it clearly states this change will have no limiting effect on FDA's discretion in classifying other products under the Food, Drug and Cosmetic Act.

H.R. 2218 enjoys bipartisan support in the Committee on Energy and Commerce. The chairman of the Subcommittee on Health, the gentleman from Florida (Mr. BILIRAKIS), and I have cosponsored this legislation, as have several other colleagues; and I am joined on the floor today by two other leading health advocates, the gentleman from California (Mr. WAXMAN) and the gentlewoman from California (Ms. ESHOO). I urge my colleagues to join us in supporting this important legislation in protecting the vision and health of American consumers.

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

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. BOOZMAN), who is himself an optometrist and certainly has lived with this problem for many, many years and knows the real world, and I thank the gentleman for bringing this to our attention.

Mr. BOOZMAN. Mr. Speaker, I thank the gentleman from Florida (Chairman BILIRAKIS) for yielding me this time.

I also thank the gentleman from California (Mr. WAXMAN) and his staff for working so hard on this bill. They have really gone above and beyond the call of duty in spending a great deal of time getting this to the situation that we have now. I also thank the gentleman from Florida (Mr. BILIRAKIS) for his help and the gentleman from Louisiana (Mr. TAUZIN).

Today we have the opportunity to close a loophole that has caused harm to many people young and old throughout the country. The loophole is a quirk in the law that allows decorative, plain old contact lenses to be sold without a prescription. Although this may not sound like a big deal, as a practicing optometrist for over 25 years, it is.

There are many cases of damage caused by contact lenses sold without the supervision of an eye care professional. Take, for instance, the case of a 14-year-old girl who purchased a pair of decorative contact lenses from a local video store and received no instructions on how to care for them. She ended up suffering a severe bacterial eye infection, and ultimately had to have a corneal transplant, which is a very significant surgery. Or the 32-year-old man who bought a pair of lenses at the local flea market for a Halloween costume. Again, the customer was provided with no directions at all on proper usage. He was later diagnosed with a corneal abrasion. He had scratched his eye because they did not fit his eye. He was later in a situation that resulted in possible permanent loss of vision.

Unfortunately, there are many, many more people whose vision has been compromised because of this type of contact lens being available to the general public without the supervision of eye care professionals. It is important to know that although adults are affected by the availability of these lenses, our children are the most vulnerable. As all of us who have children know, reason is often overruled by the desire to be fashionable and trendy.

Selling lenses to change one's eye color in video stores, flea markets, hair salons, and gas stations is inviting trouble and, frankly, should not be allowed.

A simple eye infection is the least of problems with unsupervised contact lens use. The worst is it can lead to permanent blindness. Proper care of the lenses and instructions on the correct way to use them are the keys to preventing these afflictions. Consumers are not getting this information from the video store clerk or the gas station attendant.

H.R. 2218 presents a simple fix to a dangerous problem. This bill is not intended to address the complicated legal issues surrounding intended use. The gentleman from California (Mr. WAXMAN) and I have worked hard to ensure that the language in this bill remains neutral on this question, and I think we have succeeded.

Additionally H.R. 2218 is being endorsed by the health care community, including the American Optometric Association and the American Academy of Ophthalmology, as well as the leading manufacturers in the contact lens industry and consumer protection groups.

Mr. Speaker, I cannot stress strongly enough that unregulated, unsupervised use of decorative contact lenses is extremely hazardous to one's health. H.R. 2218 would simply close that loophole that allows these lenses to be sold unregulated. I would strongly encourage my colleagues to support H.R. 2218.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

I am very pleased to be able to join my colleagues in urging support for a bill that deems all contact lenses to be medical devices under the Federal Food, Drug and Cosmetic Act; and I thank the gentleman from Arkansas (Mr. BOOZMAN) for his leadership in sponsoring this legislation. Anyone who has any doubts about how significantly contact lenses affect the structure and function of the eye need only spend a few minutes talking with the gentleman from Arkansas (Mr. BOOZMAN), who, by virtue of his professional training, understands these dangers better than anyone else in the House of Representatives.

This bill is urgently needed. All contact lenses pose serious health risks. Lenses the wrong size can deprive the surface of the eye of oxygen. Lenses worn for too long can cause painful ulcerations of the cornea. Lenses that are poorly manufactured or misused can become contaminated and cause vision-threatening infections. Until recently, FDA had the tools to control the risks of contact lenses. They considered all lenses of all types to be Class III medical devices. Using its medical device authority, the FDA required that companies follow good manufacturing standards, obtain approval prior to marketing, report adverse events promptly, and sell their lenses only with a prescription from an eye care professional.

However, under FDA's current interpretation of the law, some contact lenses are now considered cosmetic, nonmedical devices. These lenses, which the agency refers to as decorative lenses, are colored or feature unusual designs. These lenses pose exactly the same health risks as other lenses, yet today these lenses only have to comply with requirements for cosmetics, and there are very few requirements and they are difficult to enforce.

Treating them in this way, I believe, is a recipe for disaster. Lenses sold outside the protections of medical device laws have caused numerous eye injuries. It is critically important that FDA have the ability to stop these dangerous sales as quickly and efficiently as possible. The solution is simple: treat all contact lenses as medical devices. No contact lenses should be classified in the same category as lipstick.

H.R. 2218 would ensure that all contact lenses are treated the same as medical devices. This bill is enforced by professional associations representing ophthalmologists and optometrists, by leading manufacturers and by consumer groups. It is a basic consumer protection, and it is common sense.

Finally, let me say this bill has been written with the understanding and agreement of all parties that it should not be interpreted as either a rejection or a ratification of the legal arguments

underlying FDA's decision to treat noncorrective lenses as cosmetics. For that reason, the bill includes a rule of construction stating that the bill should not be construed as having any effect on any product regulated by the FDA other than the specific contact lenses at issue here. I thank the gentleman from Ohio and the distinguished chairman of the Subcommittee on Health, and I join with every Member who has spoken on this bill in urging support for it.

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the bill, H.R. 2218, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: ''A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of all contact lenses as medical devices, and for other purposes.''.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2297. An act to amend title 38, United States Code, to improve benefits under laws administered by the Secretary of Veterans Affairs, and for other purposes.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 1156. An act to amend title 38, United States Code, to improve and enhance provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.

PEDIATRIC RESEARCH EQUITY ACT OF 2003

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 650) to amend the Federal Food, Drug, and Cosmetic Act to authorize the Food and Drug Administration to require certain research into drugs used in pediatric patients.

The Clerk read as follows:

S. 650

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 ''Pediatric Research Equity Act of 2003''.

SEC. 2. RESEARCH INTO PEDIATRIC USES FOR DRUGS AND BIOLOGICAL PRODUCTS.

(a) IN GENERAL.—Subchapter A of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by inserting after section 505A the following:

''SEC. 505B. RESEARCH INTO PEDIATRIC USES FOR DRUGS AND BIOLOGICAL PRODUCTS.

''(a) NEW DRUGS AND BIOLOGICAL PRODUCTS.—

''(1) IN GENERAL.—A person that submits an application (or supplement to an application)—

''(A) under section 505 for a new active ingredient, new indication, new dosage form, new dosing regimen, or new route of administration; or

''(B) under section 351 of the Public Health Service Act (42 U.S.C. 262) for a new active ingredient, new indication, new dosage form, new dosing regimen, or new route of administration;

shall submit with the application the assessments described in paragraph (2).

''(2) ASSESSMENTS.—

''(A) IN GENERAL.—The assessments referred to in paragraph (1) shall contain data, gathered using appropriate formulations for each age group for which the assessment is required, that are adequate—

''(i) to assess the safety and effectiveness of the drug or the biological product for the claimed indications in all relevant pediatric subpopulations; and

''(ii) to support dosing and administration for each pediatric subpopulation for which the drug or the biological product is safe and effective.

''(B) SIMILAR COURSE OF DISEASE OR SIMILAR EFFECT OF DRUG OR BIOLOGICAL PRODUCT.—

''(i) IN GENERAL.—If the course of the disease and the effects of the drug are sufficiently similar in adults and pediatric patients, the Secretary may conclude that pediatric effectiveness can be extrapolated from adequate and well-controlled studies in adults, usually supplemented with other information obtained in pediatric patients, such as pharmacokinetic studies.

''(ii) EXTRAPOLATION BETWEEN AGE GROUPS.—A study may not be needed in each pediatric age group if data from 1 age group can be extrapolated to another age group.

''(3) DEFERRAL.—On the initiative of the Secretary or at the request of the applicant, the Secretary may defer submission of some or all assessments required under paragraph (1) until a specified date after approval of the drug or issuance of the license for a biological product if—

''(A) the Secretary finds that—

''(i) the drug or biological product is ready for approval for use in adults before pediatric studies are complete;

''(ii) pediatric studies should be delayed until additional safety or effectiveness data have been collected; or

''(iii) there is another appropriate reason for deferral; and

''(B) the applicant submits to the Secretary—

''(i) certification of the grounds for deferring the assessments;

''(ii) a description of the planned or ongoing studies; and

''(iii) evidence that the studies are being conducted or will be conducted with due diligence and at the earliest possible time.

''(4) WAIVERS.—

''(A) FULL WAIVER.—On the initiative of the Secretary or at the request of an applicant, the Secretary shall grant a full waiver, as appropriate, of the requirement to submit assessments for a drug or biological product under this subsection if the applicant certifies and the Secretary finds that—

''(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients is so small or the patients are geographically dispersed);

''(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in all pediatric age groups; or

''(iii) the drug or biological product—

''(I) does not represent a meaningful therapeutic benefit over existing therapies for pediatric patients; and

''(II) is not likely to be used in a substantial number of pediatric patients.

''(B) PARTIAL WAIVER.—On the initiative of the Secretary or at the request of an applicant, the Secretary shall grant a partial waiver, as appropriate, of the requirement to submit assessments for a drug or biological product under this subsection with respect to a specific pediatric age group if the applicant certifies and the Secretary finds that—

''(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients in that age group is so small or patients in that age group are geographically dispersed);

''(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in that age group;

''(iii) the drug or biological product—

''(I) does not represent a meaningful therapeutic benefit over existing therapies for pediatric patients in that age group; and

''(II) is not likely to be used by a substantial number of pediatric patients in that age group; or

''(iv) the applicant can demonstrate that reasonable attempts to produce a pediatric formulation necessary for that age group have failed.

''(C) PEDIATRIC FORMULATION NOT POSSIBLE.—If a waiver is granted on the ground that it is not possible to develop a pediatric formulation, the waiver shall cover only the pediatric groups requiring that formulation.

''(D) LABELING REQUIREMENT.—If the Secretary grants a full or partial waiver because there is evidence that a drug or biological product would be ineffective or unsafe in pediatric populations, the information shall be included in the labeling for the drug or biological product.

''(b) MARKETED DRUGS AND BIOLOGICAL PRODUCTS.—

''(1) IN GENERAL.—After providing notice in the form of a letter and an opportunity for written response and a meeting, which may include an advisory committee meeting, the Secretary may (by order in the form of a letter) require the holder of an approved application for a drug under section 505 or the holder of a license for a biological product under section 351 of the Public Health Service Act (42 U.S.C. 262) to submit by a specified date the assessments described in subsection (a)(2) if the Secretary finds that—

''(A)(i) the drug or biological product is used for a substantial number of pediatric patients for the labeled indications; and

''(ii) the absence of adequate labeling could pose significant risks to pediatric patients; or

''(B)(i) there is reason to believe that the drug or biological product would represent a meaningful therapeutic benefit over existing therapies for pediatric patients for 1 or more of the claimed indications; and

''(ii) the absence of adequate labeling could pose significant risks to pediatric patients.

''(2) WAIVERS.—

''(A) FULL WAIVER.—At the request of an applicant, the Secretary shall grant a full waiver, as appropriate, of the requirement to

submit assessments under this subsection if the applicant certifies and the Secretary finds that—

''(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients in that age group is so small or patients in that age group are geographically dispersed); or

''(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in all pediatric age groups.

''(B) PARTIAL WAIVER.—At the request of an applicant, the Secretary shall grant a partial waiver, as appropriate, of the requirement to submit assessments under this subsection with respect to a specific pediatric age group if the applicant certifies and the Secretary finds that—

''(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients in that age group is so small or patients in that age group are geographically dispersed);

''(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in that age group;

''(iii)(I) the drug or biological product—

''(aa) does not represent a meaningful therapeutic benefit over existing therapies for pediatric patients in that age group; and

''(bb) is not likely to be used in a substantial number of pediatric patients in that age group; and

''(II) the absence of adequate labeling could not pose significant risks to pediatric patients; or

''(iv) the applicant can demonstrate that reasonable attempts to produce a pediatric formulation necessary for that age group have failed.

''(C) PEDIATRIC FORMULATION NOT POSSIBLE.—If a waiver is granted on the ground that it is not possible to develop a pediatric formulation, the waiver shall cover only the pediatric groups requiring that formulation.

''(D) LABELING REQUIREMENT.—If the Secretary grants a full or partial waiver because there is evidence that a drug or biological product would be ineffective or unsafe in pediatric populations, the information shall be included in the labeling for the drug or biological product.

''(3) RELATIONSHIP TO OTHER PEDIATRIC PROVISIONS.—

''(A) NO ASSESSMENT WITHOUT WRITTEN REQUEST.—No assessment may be required under paragraph (1) for a drug subject to an approved application under section 505 unless—

''(i) the Secretary has issued a written request for a related pediatric study under section 505A(c) of this Act or section 409I of the Public Health Service Act (42 U.S.C. 284m);

''(ii)(I) if the request was made under section 505A(c)—

''(aa) the recipient of the written request does not agree to the request; or

''(bb) the Secretary does not receive a response as specified under section 505A(d)(4)(A); or

''(II) if the request was made under section 409I of the Public Health Service Act (42 U.S.C. 284m)—

''(aa) the recipient of the written request does not agree to the request; or

''(bb) the Secretary does not receive a response as specified under section 409I(c)(2) of that Act; and

''(iii)(I) the Secretary certifies under subparagraph (B) that there are insufficient funds under sections 409I and 499 of the Public Health Service Act (42 U.S.C. 284m, 290b) to conduct the study; or

''(II) the Secretary publishes in the Federal Register a certification that certifies that—

''(aa) no contract or grant has been awarded under section 409I or 499 of the Public Health Service Act (42 U.S.C. 284m, 290b); and

''(bb) not less than 270 days have passed since the date of a certification under subparagraph (B) that there are sufficient funds to conduct the study.

''(B) NO AGREEMENT TO REQUEST.—Not later than 60 days after determining that no holder will agree to the written request (including a determination that the Secretary has not received a response specified under section 505A(d) of this Act or section 409I of the Public Health Service Act (42 U.S.C. 284m), the Secretary shall certify whether the Secretary has sufficient funds to conduct the study under section 409I or 499 of the Public Health Service Act (42 U.S.C. 284m, 290b), taking into account the prioritization under section 409I.

''(c) MEANINGFUL THERAPEUTIC BENEFIT.—For the purposes of paragraph (4)(A)(iii)(I) and (4)(B)(iii)(I) of subsection (a) and paragraphs (1)(B)(i) and (2)(B)(iii)(I)(aa) of subsection (b), a drug or biological product shall be considered to represent a meaningful therapeutic benefit over existing therapies if the Secretary estimates that—

''(1) if approved, the drug or biological product would represent a significant improvement in the treatment, diagnosis, or prevention of a disease, compared with marketed products adequately labeled for that use in the relevant pediatric population; or

''(2) the drug or biological product is in a class of products or for an indication for which there is a need for additional options.

''(d) SUBMISSION OF ASSESSMENTS.—If a person fails to submit an assessment described in subsection (a)(2), or a request for approval of a pediatric formulation described in subsection (a) or (b), in accordance with applicable provisions of subsections (a) and (b)—

''(1) the drug or biological product that is the subject of the assessment or request may be considered misbranded solely because of that failure and subject to relevant enforcement action (except that the drug or biological product shall not be subject to action under section 303); but

''(2) the failure to submit the assessment or request shall not be the basis for a proceeding—

''(A) to withdraw approval for a drug under section 505(e); or

''(B) to revoke the license for a biological product under section 351 of the Public Health Service Act (42 U.S.C. 262).

''(e) MEETINGS.—Before and during the investigational process for a new drug or biological product, the Secretary shall meet at appropriate times with the sponsor of the new drug or biological product to discuss—

''(1) information that the sponsor submits on plans and timelines for pediatric studies; or

''(2) any planned request by the sponsor for waiver or deferral of pediatric studies.

''(f) SCOPE OF AUTHORITY.—Nothing in this section provides to the Secretary any authority to require a pediatric assessment of any drug or biological product, or any assessment regarding other populations or uses of a drug or biological product, other than the pediatric assessments described in this section.

''(g) ORPHAN DRUGS.—Unless the Secretary requires otherwise by regulation, this section does not apply to any drug for an indication for which orphan designation has been granted under section 526.

''(h) INTEGRATION WITH OTHER PEDIATRIC STUDIES.—The authority under this section shall remain in effect so long as an application subject to this section may be accepted for filing by the Secretary on or before the date specified in section 505A(n).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 505(b)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)(1)) is amended in the second sentence—

(A) by striking ''and (F)'' and inserting ''(F)''; and

(B) by striking the period at the end and inserting '', and (G) any assessments required under section 505B.''.

(2) Section 505A(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(h)) is amended—

(A) in the subsection heading, by striking ''REGULATIONS'' and inserting ''PEDIATRIC RESEARCH REQUIREMENTS''; and

(B) by striking ''pursuant to regulations promulgated by the Secretary'' and inserting ''by a provision of law (including a regulation) other than this section''.

(3) Section 351(a)(2) of the Public Health Service Act (42 U.S.C. 262(a)(2)) is amended—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following:

''(B) PEDIATRIC STUDIES.—A person that submits an application for a license under this paragraph shall submit to the Secretary as part of the application any assessments required under section 505B of the Federal Food, Drug, and Cosmetic Act.''.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ABBREVIATED NEW DRUG APPLICATION.—Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended in subparagraphs (A) and (B) of subsection (b)(2) and subparagraphs (A) and (B) of subsection (c)(2) by striking ''505(j)(4)(B)'' and inserting ''505(j)(5)(B)''.

(b) PEDIATRIC ADVISORY COMMITTEE.—

(1) Section 505A(i)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(i)(2)) is amended by striking ''Advisory Subcommittee of the Anti-Infective Drugs'' each place it appears.

(2) Section 14 of the Best Pharmaceuticals for Children Act (42 U.S.C. 284m note; Public Law 107–109) is amended—

(A) in the section heading, by striking ''PHARMACOLOGY'';

(B) in subsection (a), by striking ''(42 U.S.C. 217a),'' and inserting (42 U.S.C. 217a) or other appropriate authority,'';

(C) in subsection (b)—

(i) in paragraph (1), by striking ''and in consultation with the Director of the National Institutes of Health''; and

(ii) in paragraph (2), by striking ''and 505A'' and inserting ''505A, and 505B''; and

(D) by striking ''pharmacology'' each place it appears and inserting ''therapeutics''.

(3) Section 15(a)(2)(A) of the Best Pharmaceuticals for Children Act (115 Stat. 1419) is amended by striking ''Pharmacology''.

(4) Section 16(1)(C) of the Best Pharmaceuticals for Children Act (21 U.S.C. 355a note; Public Law 107–109) is amended by striking ''Advisory Subcommittee of the Anti-Infective Drugs''.

(5) Section 17(b)(1) of the Best Pharmaceuticals for Children Act (21 U.S.C. 355b(b)(1)) is amended in the second sentence by striking ''Advisory Subcommittee of the Anti-Infective Drugs''.

(6) Paragraphs (8), (9), and (11) of section 409I(c) of the Public Health Service Act (42 U.S.C. 284m(c)) are amended by striking ''Advisory Subcommittee of the Anti-Infective Drugs'' each place it appears.

SEC. 4. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), this Act and the amendments made by this Act take effect on the date of enactment of this Act.

(b) APPLICABILITY TO NEW DRUGS AND BIOLOGICAL PRODUCTS.—

(1) IN GENERAL.—Subsection (a) of section 505B of the Federal Food, Drug, and Cosmetic Act (as added by section 2) shall apply to an application described in paragraph (1) of that subsection submitted to the Secretary of Health and Human Services on or after April 1, 1999.

(2) WAIVERS AND DEFERRALS.—

(A) WAIVER OR DEFERRAL GRANTED.—If, with respect to an application submitted to the Secretary of Health and Human Services between April 1, 1999, and the date of enactment of this Act, a waiver or deferral of pediatric assessments was granted under regulations of the Secretary then in effect, the waiver or deferral shall be a waiver or deferral under subsection (a) of section 505B of the Federal Food, Drug, and Cosmetic Act, except that any date specified in such a deferral shall be extended by the number of days that is equal to the number of days between October 17, 2002, and the date of enactment of this Act.

(B) WAIVER AND DEFERRAL NOT GRANTED.—If, with respect to an application submitted to the Secretary of Health and Human Services between April 1, 1999, and the date of enactment of this Act, neither a waiver nor deferral of pediatric assessments was granted under regulations of the Secretary then in effect, the person that submitted the application shall be required to submit assessments under subsection (a)(2) of section 505B of the Federal Food, Drug, and Cosmetic Act on the date that is the later of—

(i) the date that is 1 year after the date of enactment of this Act; or

(ii) such date as the Secretary may specify under subsection (a)(3) of that section;

unless the Secretary grants a waiver under subsection (a)(4) of that section.

(c) NO LIMITATION OF AUTHORITY.—Neither the lack of guidance or regulations to implement this Act or the amendments made by this Act nor the pendency of the process for issuing guidance or regulations shall limit the authority of the Secretary of Health and Human Services under, or defer any requirement under, this Act or those amendments.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1530

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of S. 650, the Pediatric Research Equity Act. This bill gives the Food and Drug Administration new statutory authority to require certain pediatric tests, to require certain research into drugs used for pediatric patients, and it provides for appropriate enforcement of the requirement to submit timely pediatric assessments.

As chairman of the Energy and Commerce Subcommittee on Health, I have been a long-time supporter of pediatric research efforts. To that end, it is important that the FDA has the authority that it needs to require pediatric studies and also information for drugs and biological products in cases where the needed information is not generated by using existing incentive and funding mechanisms. S. 650 will provide that authority.

I think it is appropriate to express appreciation to Senator DEWINE for this piece of legislation and to the gentleman from Ohio (Mr. BROWN), the gentleman from California (Mr. WAXMAN), the gentlewoman from California (Ms. ESHOO) and so many others who have shown concern in this regard and, of course, join us here today.

I urge my colleagues to support the bill that the Senate has passed.

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

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

I would like to thank the gentleman from California (Mr. WAXMAN), the gentlewoman from California (Ms. ESHOO), the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentleman from Michigan (Mr. STUPAK) for their leadership on the important issue of prescription drug research for children. The legislation we consider today is in large part the product of their hard work and their good work.

The FDA requires drug manufacturers to verify the safety and effectiveness of a new medicine before it can be sold in our country. But because most research has been done on adults, new medicines that are safe and effective in grownups may not be safe and effective when used in children. That is why we enacted legislation rewarding safety and efficacy testing that focuses on children. Drug companies that voluntarily conduct this testing are granted what amounts to a patent extension on the pediatric use of their medicines. Though progress has been made, an article published last year in the New England Journal of Medicine confirmed that fully 60 percent of drugs coming to the market remain unstudied and unlabeled for use in children. FDA's Pediatric Rule addressed that concern, but a Federal judge struck it down last year because, according to those judges, the agency lacked sufficient statutory authority.

The legislation today before us corrects that deficiency and codifies the Pediatric Rule. S. 650 requires pediatric testing as a condition of new drug approval every time. It authorizes responsible exceptions, though, deferrals and waivers when these actions would be determined to serve the interests of patients. This approach will ensure that most medicines are testified for safety and effectiveness in children before they hit the market. It gives the FDA the flexibility to move drugs to market when testing is unwarranted or impossible or would hold up a drug important for adult patients.

I have, Mr. Speaker, one important concern with this otherwise laudable legislation. It relates to a controversial provision added by the other body which terminates the testing requirement when the pediatric marketing exclusivity provision expires. There is no policy justification for this change. If it is responsible to require pediatric testing today, it will be no less responsible to do so after the government subsidy for pediatric testing has expired. America's children, pure and simple, are not served by this language. The only ones who benefit again are drugmakers. It has been a really good week for drugmakers in this country. As good as this bill is, they get a benefit they do not deserve. They also get a benefit later in the week if this House passes the Medicare bill to the tune of about $140 billion more in profits on a bill that, frankly, they and the Republican majority and President Bush sat down and wrote to help the drug industry and the insurance industry.

This provision in our bill is objectionable on procedural grounds, also. The other body acted months ago, but the Committee on Energy and Commerce did not schedule a markup that would have permitted us to debate and vote on the sunset provision and consider related issues important especially to the gentleman from Michigan (Mr. STUPAK) and to other Members. I hope this process will not become the model for health legislation in this House.

Having said that, the bill is an important step forward in children's health. America's leading children's health advocates also strongly support the Pediatric Rule. The American Academy of Pediatrics called it an essential tool. The Elizabeth Glaser Pediatric AIDS Foundation said it will safeguard children by taking the guesswork out of children's medicine.

I hope Members will join me in voting to send the Pediatric Research Equity Act to the White House.

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

Mr. BILIRAKIS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. ESHOO), one of the authors of this legislation.

Ms. ESHOO. I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, I rise today in support of S. 650, the Pediatric Research Equity Act. As the Democratic sponsor of the House version of this legislation, along with the gentleman from Pennsylvania (Mr. GREENWOOD), I am very excited that this important bipartisan legislation is being considered before Congress departs and closes shop before the end of this year.

In the last session, the Congress took an important step toward increasing drug safety for children by reauthorizing the Best Pharmaceuticals for

Children Act, a bill that I also cosponsored with the gentleman from Pennsylvania (Mr. GREENWOOD). The law provided 6 months of marketing exclusivity for prescription drug manufacturers who undertake the costly, but very necessary, task of testing drugs for safety and efficacy in children. Prior to its enactment, there was little if any information on how drugs affected children. That surprised a lot of people. Most people assumed that the process was really very different. Doctors were cutting adult pills in half, hoping they would work in children, often with life-threatening results. In the years since its passage, the Best Pharmaceuticals for Children Act has yielded significant and lifesaving dosing and efficacy information for prescription drugs for children, and this law continues to work today and work very well. Anyone that is a parent can appreciate the success this bill has had in protecting children.

Despite this success, there are times when the Food and Drug Administration needs additional pediatric clinical data on a drug. Since the passage of the Best Pharmaceuticals for Children Act, a court struck down an important regulation crafted by the FDA that provided a framework for requiring drug manufacturers to perform clinical trials in pediatric populations when the Agency believed they were absolutely necessary. The court argued that the Congress had not given the FDA this authority, effectively tying the Agency's hands with respect to providing safer drugs for children.

In response to this court decision, the gentleman from Pennsylvania (Mr. GREENWOOD) and I introduced the Pediatric Research Equity Act, which specifically gives the FDA the authority that the court struck down, the authority to require prescription drug manufacturers to perform necessary tests for our children. The FDA's gold standard has protected American consumers and America's children for decades. The Congress has to take this step to equip the FDA with the resources and the authority it needs to continue this exceptional performance.

This bill has very important support. Amongst that honor roll of support is the American Academy of Pediatrics which has worked so well and so closely with us, and we want to thank them for that; the Elizabeth Glaser Pediatric AIDS Foundation; the pharmaceutical industry and other groups that are dedicated to providing safe and effective treatments to children. In years past, some have been critical of our work to increase drug safety for children, charging that it is really more about providing incentives to drug companies than it is about children. This effort, as with our work on the Best Pharmaceuticals for Children Act, has always been about making drug treatments safer and more effective for children. And while I understand that the process for moving this bill forward has not been perfect, as so many things around here are not, the underlying bill and the goals it contains are ones that every single Member of the House can and should support.

Finally, Mr. Speaker, I want to offer my unending gratitude to our committee staff for their work on moving this bill forward. In particular, I would like to thank Patrick Ronan with the majority for his help and John Ford on the minority side for his assistance and his advice. As always, it has been invaluable. I also wish to recognize the leadership of the gentleman from Florida (Mr. BILIRAKIS) and always to my partner, the gentleman from Pennsylvania (Mr. GREENWOOD). I think we have been able to get some really important things done. I wish to recognize the inspiration of Dr. Phil Pizzo, dean of the Stanford Medical School, a pediatrician himself. And last but never least, Anne Wilson, my legislative director. This legislation becomes her swan song. She goes off to the private sector to do some really great work, but this is one of the signature pieces that she has really worked so hard on. I salute her for it.

I urge my colleagues to vote ''yes'' on S. 650, the Pediatric Research Equity Act, and my thanks to everyone that have been partners in this what I think has been a noble and important undertaking.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GREENWOOD).

Mr. GREENWOOD. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of S. 650, the Pediatric Research Equity Act. This legislation was passed by the Senate by unanimous consent on July 23. Earlier this year, along with the gentlewoman from California (Ms. ESHOO) and the gentlewoman from Ohio (Ms. PRYCE), I introduced this legislation in the House. Both of these Members have been leaders on trying to get this legislation enacted into law.

Children, their physicians, and their parents need to know that the drugs they use are safe and effective. Just over a year ago, a Federal court struck down the 1998 Pediatric Rule on the grounds that Congress had not explicitly given the authority to require that these much-needed pediatric studies be done. The Pediatric Research Equity Act creates a critical safety net for children by restoring this authority. Before it was struck down, the Pediatric Rule led to invaluable pediatric safety and dosing information. The rule places children on equal therapeutic footing with adults by ensuring that medicines coming into the marketplace will be labeled for pediatric use and be available in formulations such as liquids or chewable tablets that children can take.

This legislation will also ensure that there will be no delay in the approval of drugs for adult use by allowing pediatric testing to be deferred until after approval if these studies would delay the availability of the product for adults.

Mr. Speaker, this legislation complements the Best Pharmaceuticals for Children Act which Congress passed 2 years ago. That law recognizes the importance of pediatric drug testing by offering an incentive to companies who conduct tests of drugs on children. However, certain medicines are not captured by the Best Pharmaceuticals for Children Act and, therefore, will be left unstudied for pediatric use without the rule. Both the BPCA and the rule are needed as a strong, two-prong approach to ensure that drugs are appropriately studied and labeled for infants, children and adolescents.

Mr. Speaker, this legislation was discharged from the Committee on Energy and Commerce. Many of us on both sides of the aisle had hoped that the committee would consider this through normal order as there were issues that both sides wanted to make about the legislation. But due to the Medicare and the energy conferences and the limitations those bills have created in the committees, it was necessary for this legislation to be discharged. While this was not the perfect process, I urge my colleagues to join our colleagues in the Senate and the 25 children's health groups, including the American Academy of Pediatrics and the Elizabeth Glaser Pediatric AIDS Foundation, who support this legislation. In their own words, quote, we cannot overstate the extraordinary contribution this legislation will make to children's health.

I would also like to thank my staff member Alan Eisenberg who has worked very hard for a long period on this issue. I urge passage of the legislation.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. STUPAK) who has been an absolute leader with a great understanding on these very complicated drug issues.

Mr. STUPAK. I thank the gentleman for yielding me this time.

Mr. Speaker, the pediatric research equity bill is not a bad bill. I agree with the premise of the bill. As the ranking member of the Subcommittee on Health said, it is unfortunate that we have not had a hearing on this bill, we have not had a chance to mark it up, we have not had a chance to amend it. Because I would wish that Congress would stop for a minute and look at this bill before we make another fatal mistake when we deal with pharmaceuticals dealing with young people. As the other speakers said, it is necessary to test and do proper labeling on drugs before we give them to children. We need to know, I think is what the chairman said, all the ramifications before we give young people drugs. This bill goes halfway. This bill only goes halfway. This Congress should not allow the continuation of the practice of pharmaceutical companies being able to develop drugs but not put on proper labeling.

□ 1545

Or when it is time to change the label, to expeditiously change the label, as the other speakers have said, we have been cutting pills in half thinking for young people half a pill is better than a full pill. When they do this testing, when it comes time to label, doctors, families, patients need to know how should the drug be used in dispense. What is the proper dosage for young people? What duration of time should the pill be taken and how often? What are the side effects of the use of this drug? These are the questions that are required for proper use and labeling, but yet it is not required in this legislation nor was it required in the pharmaceutical act of 2002.

So before a drug is marketed, it should be properly labeled with all the necessary information to be used in pediatric patients. Doctors and patients and families have no idea on how to administer drugs or what the effect will be on young people without proper labeling. All I am saying is we should have had an opportunity to amend this legislation to make sure before a patent is extended, before a drug is given for pediatric patients, that the proper labeling is done and made available to doctors, patients, and their families. It is marketed and given to children before we know what the effects are on young people.

As we said earlier, the Best Pharmaceutical Act of 2002 did require a strengthening of labeling requirements, but it did not mandate proper labeling before marketing of these drugs. While the FDA can misbrand a drug for improper labeling, it has never used the enforcement power it has. It has never used the enforcement power granted to it by Congress. As a result, case after case, the pharmaceutical companies have been granted patent extensions and then not gone through with the labeling of the drugs for years. And these drugs were not labeled misbranded by the FDA. Between 1997 and 2002, the year of the Best Pharmaceutical Act for children, the average time for labeling was 9 months after the extension of that patent. Now based upon the Best Pharmaceutical Act of 2002, it is still 5 months after the drug has been used in the marketplace. How on God's green Earth can we stand here and say we will label the proper use of drugs after it is marketed? Five months, that is what it is right now. Some of them are a year. The average is 5 months.

If we would have had a chance to have this before our committee, we could at least have offered some amendments. To uphold the true intention of this legislation and the true intent of the Best Pharmaceutical Act is to make sure we have labeling before drugs are put on the marketplace and not after, requiring, and not suggesting, that the Secretary of HHS label drugs as misbranded if companies fail to test and label these drugs for use in children.

I would like to see this legislation defeated. That will not happen here today. But once again, the Congress of the United States has punted an opportunity to protect our children. We once again said we will allow drugs to be used; we will worry about the side effects on young people after. There is no reason why we could not mandate proper labeling before. And if my colleagues read the language of the bill, it says may, the Secretary may.

We have asked and we have talked to the sponsor in the Senate and we have talked to others. We said why can they not just make it mandatory, label before they market and use in young people? Once again, Congress is avoiding its responsibility to protect the health, safety, and welfare of our young people. The ideas behind this legislation are great. The intent is great, but we have to follow it through. And we have all sat in committees and heard the stories of young people receiving drugs that were improperly used or administered that were not to be used for young people. We find out after the fact, after the drug has been used in the mainstream of commerce and being used by physicians.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman for yielding me this time and for his strong leadership on this measure.

Mr. Speaker, today is a great day for America's children. Today we will stand with the President of the United States on an extraordinary piece of legislation, legislation that will have the effect of dramatically improving the health and well-being of our Nation's children.

About this time last year, my good friend and former Member, Connie Morella, and I introduced this legislation to put into law the Pediatric Rule, a rule that required drug companies to conduct safety tests of adult medicines that were likely to be given to children. We introduced that bill even before a U.S. district court struck down that rule finding that the FDA did not have the authority to enforce it. We felt then, as we do now, that this rule must be strengthened and codified to ensure advancements and effectiveness in medicines that we give to our children.

In light of the district court's ruling, Members of this body renewed our efforts this year to see that the rule would be put into law for good. With the hard work of the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentlewoman from California (Ms. ESHOO) and the blessings of the gentleman from Louisiana (Chairman TAUZIN) and the gentleman from Florida (Chairman BILIRAKIS) and the gentleman from Ohio (Mr. BROWN), ranking member, we have found ourselves today ready to move forward.

The rule is so important for a few very simple reasons. Many people wrongly assume that children's bodies are just smaller versions of adult bodies. That is just not the case. Simply reducing the dosage of medicine for the treatment of a child is not always effective and is definitely not always safe. By protecting this rule, the Pediatric Rule, and continuing to provide incentives for testing medicines for kids, we will give doctors the information they need to provide our children with the best quality health care.

Mr. Speaker, when I told my constituents at Children's Hospital in Columbus, Ohio, that this legislation would be up for consideration today, I was greeted with elation. Those who care for and treat our children want the very best for them. They know what they need to deliver the very best. They need the Pediatric Rule and believe it is critical to preserving the long-term health and safety of our kids. That is exactly what this bill does. I am proud to be a part of making these safeguards permanent and this bill a reality.

Mr. Speaker, I urge my colleagues to join me in strengthening the health of our children by adopting this legislation. Every pediatrician will rest easier. I am certain that every parent will.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I rise in support of the Pediatric Research Equity Act, and I urge other Members to support it as well. This legislation has been a long time in coming. Physicians have known for decades that failing to test drugs in children could have deadly consequences.

It was not until the late 1990s that Congress and the FDA finally acted to ensure testing of drugs in children. In 1997 Congress enacted a bill giving pharmaceutical companies generous financial incentives for voluntarily conducting pediatric studies. A year later, FDA finalized a regulation known as the Pediatric Rule, requiring companies to conduct studies in children for important or widely used drugs, and that regulation was regarded by both the FDA and by physician and patient groups as essential because the financial incentives still left many important drugs and many age groups unstudied. Unfortunately, the Pediatric Rule was struck down by a district court last year. I believe the case was wrongly decided and that FDA had adequate authority; but we need to codify the rule now, as this bill would do, in order to provide children with the strongest protection of their right to receive medicines that are as safe and as effective as the medicines given to adults.

While I strongly support this bill, there is one provision I do not support. The bill contains a sunset provision which will repeal in 5 years the protections for children that this bill is designed to provide. I regret this bill did

not go through the committee allowing us the opportunity to strike this provision. Sunsetting the bill is simply bad policy. There is no serious medical or public health argument that it would enhance the health of American children to repeal this law in 5 years. Certainly no one makes the argument that the rules regarding testing of drugs in adults need to be reassessed every 5 years.

Since the sunset provision is not based on improving the public health, why is it in the bill? I have been told that the law giving companies financial incentives for conducting pediatric studies sunsets every 5 years, so this bill should too. But the financial incentives bill raises very different concerns. Those incentives extend drug company monopolies on popular drugs, which in turn raises the price of those drugs for all Americans.

The Congress has an obligation to reassess the size of the incentives periodically to make sure that the cost in higher drug prices is worth the benefit being gained.

There is no similar reason to reassess the Pediatric Rule, and I am very concerned that by sunsetting the two bills together, the Congress will be put in a position where reauthorization of the Pediatric Rule is held hostage to reauthorization of the incentives.

The fact that we have been denied the opportunity to strike the sunset is unfortunate. Similarly, I regret that the gentleman from Michigan (Mr. STUPAK) was denied the opportunity to offer his amendment which addresses an extremely serious issue. I strongly support his amendment and would have liked to have voted for it in committee.

Nevertheless, despite my concern with the process, I will vote for this bill. It is urgent that we pass this legislation as quickly as possible. Every day that we do not act to put the Pediatric Rule back into effect, we run an additional risk that the health of American children will be compromised.

For more than 40 years, the Food and Drug Act has offered a guarantee to adult Americans that their drugs will be safe and effective. It is time we assured our children of the same guarantee.

This bill will also assure that all contact lens care products will be regulated as device accessories.

Mr. DINGELL. Mr. Speaker, I support S. 650, the ''Pediatric Research Equity Act of 2003.'' This bill will make clear that the Food and Drug Administration (FDA) has the authority to require testing for drugs that are administered to children in appropriate cases. This legislation will effectively moot pending litigation. Last year, a Federal district court held that FDA lacked statutory authority to promulgate the pediatric rule. While appeals are pending, this bill will provide a speedy and certain resolution of that question.

Mr. Speaker, I do want to express my concerns with a provision in this bill which sunsets FDA's authority on October 1, 2007. Why on earth should a regulatory authority to protect the health of children be time limited? There are reasons, none of them good. This date just happens to coincide with the expiration of a provision of existing law which provides a financially powerful incentive to drug makers to test drugs for children. Whatever the perceived merits of the incentive, it costs consumers a lot of money because it delays generic drug entry into the market for six months beyond what would normally be the case. The rule is being tied to the incentive and that, in my view, is just plain wrong.

We should have had an opportunity to debate and offer amendments to improve S. 650, but this bill is being brought to the floor without being reported or otherwise considered by the Committee on Energy and Commerce. This is an unnecessary and unwise bypass of the committee of jurisdiction. The health of America's children is too important for us to avoid careful consideration of matters that affect them. For us to merely adopt the work product of the Senate is to shirk our duty for our children. We can do better, and the fact that we did not do better is unfortunate.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the Senate bill, S. 650.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

H.R. 2420, by the yeas and nays;

House Resolution 427, by the yeas and nays;

House Concurrent Resolution 83, by the yeas and nays.

The first electronic vote in this series will be conducted as a 15-minute vote. The remaining votes in this series will be 5-minute votes.

MUTUAL FUNDS INTEGRITY AND FEE TRANSPARENCY ACT OF 2003

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2420, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 2420, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 418, nays 2, not voting 14, as follows:

[Roll No. 638]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne

Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—2

Flake
Paul

NOT VOTING—14

Andrews
Bishop (NY)
Collins
Conyers
Cubin
DeMint
Fletcher
Gephardt
Isakson
Istook
McCrery
Smith (WA)
Sullivan
Toomey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1620

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

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the remainder of this series of votes will be conducted as 5-minute votes.

EXPRESSING SENSE OF HOUSE REGARDING COURAGEOUS LEADERSHIP OF UNIFIED BUDDHIST CHURCH OF VIETNAM

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 427, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the resolution, H. Res. 427, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 409, nays 13, not voting 12, as follows:

[Roll No. 639]

YEAS—409

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baldwin
Ballance
Ballenger
Barrett (SC)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Hall
Harman
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—13

Bartlett (MD)
Evans
Everett
Gordon
Gutknecht
Hastings (FL)
Johnson, Sam
McDermott
Neugebauer
Paul
Sessions
Simmons
Slaughter

NOT VOTING—12

Andrews
Baker
Bishop (NY)
Collins
Cubin
DeMint
Fletcher
Gephardt
Isakson
Smith (WA)
Sullivan
Toomey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1630

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HONORING VICTIMS OF CAMBODIAN GENOCIDE THAT TOOK PLACE FROM APRIL 1975 TO JANUARY 1979

The SPEAKER pro tempore (Mr. SWEENEY). The pending business is the

question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 83.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the concurrent resolution, H.R. 83, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 420, nays 1, not voting 13, as follows:

[Roll No. 640]

YEAS—420

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—13

Andrews
Bishop (NY)
Collins
Cubin
DeMint
Fletcher
Gephardt
Hunter
Isakson
Pryce (OH)
Smith (WA)
Sullivan
Toomey

□ 1639

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

POISON CONTROL CENTER ENHANCEMENT AND AWARENESS ACT AMENDMENTS OF 2003

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 686) to provide assistance for poison prevention and to stabilize the funding of regional poison control centers, as amended.

The Clerk read as follows:

S. 686

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 ''Poison Control Center Enhancement and Awareness Act Amendments of 2003''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Poison control centers are our Nation's primary defense against injury and deaths from poisoning. Twenty-four hours a day, the general public as well as health care practitioners contact their local poison centers for help in diagnosing and treating victims of poisoning and other toxic exposures.

(2) Poisoning is the third most common form of unintentional death in the United States. In any given year, there will be between 2,000,000 and 4,000,000 poison exposures. More than 50 percent of these exposures will involve children under the age of 6 who are exposed to toxic substances in their home. Poisoning accounts for 285,000 hospitalizations, 1,200,000 days of acute hospital care, and 13,000 fatalities annually.

(3) Stabilizing the funding structure and increasing accessibility to poison control centers will promote the utilization of poison control centers, and reduce the inappropriate use of emergency medical services and other more costly health care services.

(4) The tragic events of September 11, 2001, and the anthrax cases of October 2001, have dramatically changed our Nation. During this time period, poison centers in many areas of the country were answering thousands of additional calls from concerned residents. Many poison centers were relied upon as a source for accurate medical information about the disease and the complications resulting from prophylactic antibiotic therapy.

(5) The 2001 Presidential Task Force on Citizen Preparedness in the War on Terrorism recommended that the Poison Control Centers be used as a source of public information and public education regarding potential biological, chemical, and nuclear domestic terrorism.

(6) The increased demand placed upon poison centers to provide emergency information in the event of a terrorist event involving a biological, chemical, or nuclear toxin will dramatically increase call volume.

SEC. 3. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.

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

''PART G—POISON CONTROL

''SEC. 1271. MAINTENANCE OF A NATIONAL TOLL-FREE NUMBER.

''(a) IN GENERAL.—The Secretary shall provide coordination and assistance to regional poison control centers for the establishment of a nationwide toll-free phone number to be used to access such centers.

''(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as prohibiting the establishment or continued operation of any privately funded nationwide toll-free phone number used to provide advice and other assistance for poisonings or accidental exposures.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of the fiscal years 2000 through 2009. Funds appropriated under this subsection shall not be used to fund any toll-free phone number described in subsection (b).

"SEC. 1272. NATIONWIDE MEDIA CAMPAIGN TO PROMOTE POISON CONTROL CENTER UTILIZATION.

''(a) IN GENERAL.—The Secretary shall establish a national media campaign to educate the public and health care providers about poison prevention and the availability of poison control resources in local communities and to conduct advertising campaigns concerning the nationwide toll-free number established under section 1271.

''(b) CONTRACT WITH ENTITY.—The Secretary may carry out subsection (a) by entering into contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements.

''(c) EVALUATION.—The Secretary shall—

''(1) establish baseline measures and benchmarks to quantitatively evaluate the impact of the nationwide media campaign established under this section; and

''(2) prepare and submit to the appropriate congressional committees an evaluation of the nationwide media campaign on an annual basis.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $600,000 for each of fiscal years 2000 through 2005 and such sums as may be necessary for each of fiscal years 2006 through 2009.

"SEC. 1273. MAINTENANCE OF THE POISON CONTROL CENTER GRANT PROGRAM.

''(a) REGIONAL POISON CONTROL CENTERS.—The Secretary shall award grants to certified regional poison control centers for the purposes of achieving the financial stability of such centers, and for preventing and providing treatment recommendations for poisonings.

''(b) OTHER IMPROVEMENTS.—The Secretary shall also use amounts received under this section to—

''(1) develop standardized poison prevention and poison control promotion programs;

''(2) develop standard patient management guidelines for commonly encountered toxic exposures;

''(3) improve and expand the poison control data collection systems, including, at the Secretary's discretion, by assisting the poison control centers to improve data collection activities;

''(4) improve national toxic exposure surveillance by enhancing activities at the Centers for Disease Control and Prevention and the Agency for Toxic Substances and Disease Registry;

''(5) expand the toxicologic expertise within poison control centers; and

''(6) improve the capacity of poison control centers to answer high volumes of calls during times of national crisis.

''(c) CERTIFICATION.—Except as provided in subsection (d), the Secretary may make a grant to a center under subsection (a) only if—

''(1) the center has been certified by a professional organization in the field of poison control, and the Secretary has approved the organization as having in effect standards for certification that reasonably provide for the protection of the public health with respect to poisoning; or

''(2) the center has been certified by a State government, and the Secretary has approved the State government as having in effect standards for certification that reasonably provide for the protection of the public health with respect to poisoning.

''(d) WAIVER OF CERTIFICATION REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary may grant a waiver of the certification requirement of subsection (c) with respect to a noncertified poison control center or a newly established center that applies for a grant under this section if such center can reasonably demonstrate that the center will obtain such a certification within a reasonable period of time as determined appropriate by the Secretary.

''(2) RENEWAL.—The Secretary may renew a waiver under paragraph (1).

''(3) LIMITATION.—In no instance may the sum of the number of years for a waiver under paragraph (1) and a renewal under paragraph (2) exceed 5 years. The preceding sentence shall take effect as if enacted on February 25, 2000.

''(e) SUPPLEMENT NOT SUPPLANT.—Amounts made available to a poison control center under this section shall be used to supplement and not supplant other Federal, State, or local funds provided for such center.

''(f) MAINTENANCE OF EFFORT.—A poison control center, in utilizing the proceeds of a grant under this section, shall maintain the expenditures of the center for activities of the center at a level that is not less than the level of such expenditures maintained by the center for the fiscal year preceding the fiscal year for which the grant is received.

''(g) MATCHING REQUIREMENT.—The Secretary may impose a matching requirement with respect to amounts provided under a grant under this section if the Secretary determines appropriate.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $25,000,000 for each of the fiscal years 2000 through 2004 and $27,500,000 for each of fiscal years 2005 through 2009.

"SEC. 1274. RULE OF CONSTRUCTION.

''Nothing in this part may be construed to ease any restriction in Federal law applicable to the amount or percentage of funds appropriated to carry out this part that may be used to prepare or submit a report.''.

SEC. 4. CONFORMING AMENDMENT.

The Poison Control Center Enhancement and Awareness Act (42 U.S.C. 14801 et seq.) is hereby repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 686.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of S. 686, the Poison Control Center Enhancement and Awareness Act amendments.

This bill, Mr. Speaker, amends the Poison Control Enhancement and Awareness Act to provide additional assistance for poison prevention and to stabilize the funding of regional poison control centers.

I would like to extend my thanks first to my colleague, the gentleman from Michigan (Mr. UPTON), for all of his work on this important legislation and also add to that list the gentleman from New York (Mr. TOWNS), who has been very interested in this subject for a long time, the gentleman from Texas (Mr. BARTON), Senator DEWINE, and, of course, the gentleman from Ohio (Mr. BROWN) and the others who have been so very cooperative.

Poisoning is the third most common form of unintentional death in the United States. Many of these exposures involve children. Poison control centers are a primary defense against injury and death from poisoning.

In the events since September 11, poison centers have taken on the additional role, Mr. Speaker, of providing medical information about biological, chemical, and nuclear domestic terrorism. S. 686 would authorize funds to maintain national toll-free poison control hotlines and the Poison Control Center Grant Program. Additionally, the legislation would create a nationwide media campaign to promote poison control center utilization and to allow the Secretary to assist in the implementation and maintenance of continuous national surveillance of poison control center data to detect new hazards from toxic substances, household products and pharmaceuticals.

□ 1645

I urge my colleagues, Mr. Speaker, to support this important legislation that the Senate has passed.

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

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

I want to thank my colleagues, the gentleman from New York (Mr. TOWNS), my friend, and the gentleman from Michigan (Mr. UPTON), for their hard work on this bill, as well as my friend and colleague, the gentleman from Florida (Mr. BILIRAKIS), with whom we have worked so well.

Every day these specially trained staff of pharmacists and nurses at poison control centers across the country field calls from frantic parents concerned that their child ingested a poisonous substance. They field calls from an elderly couple with questions about whether one medication might cause an adverse reaction if taken with another; and as the events of September 11 and the cases of anthrax have shown us, poison control centers field calls from concerned residents uncertain about the danger they have been exposed to.

Handling an average of one poison exposure call every 15 seconds across the country, these men and women answer questions about poisonings, about drug abuse, about product contents, about adverse reactions.

Legislation we are considering today will enhance the work of poison control centers through improved maintenance of a national toll-free number that is linked to regional poison control centers. This bill will help promote the nationwide media campaign to promote

poison control center utilization. If a person has a problem, they need to know whom to call and they need to know the number, and they need to know that they are reliable. Every parent, every baby-sitter, every coworker, every household, and every office should know how to contact the poison control center closest to them.

This bill from the gentleman from New York (Mr. TOWNS) and the gentleman from Michigan (Mr. UPTON) will help develop standardized prevention and poison control centers and will improve national surveillance of toxic exposures. It will improve the collection of data to help detect new hazards, including those found in our homes.

Mr. Speaker, every year roughly 120 children under 14 needlessly die from unintentional poisoning, 120 children under the age of 14. The bill we are considering today can save the lives of many of them. It is an important step towards reversing that trend and saving more children from poison exposure.

I urge my colleagues to support S. 686.

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

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he might require to the gentleman from Michigan (Mr. UPTON), the father of this act.

Mr. UPTON. Mr. Speaker, I thank my good chairman who has been instrumental in getting this important piece of legislation to the floor. Again, he has done yeoman's work with so many others here in this body.

Mr. Speaker, as the lead sponsor of the bipartisan House version of the Poison Control Center Enhancement and Awareness Act Amendments of 2003, it is my pleasure to help manage this bill, S. 686, the Senate version of the legislation on the floor today.

What we are doing today is taking up the Senate-passed bill and inserting updated language from our bill. We are doing so because we determined that it was the best way to expedite the final passage of this much-needed legislation reauthorizing and strengthening our Federal commitment to ensuring that our Nation's poison control centers can continue to provide life-saving services to all of our constituents, particularly in these last throes of this session of the Congress.

I want to take this opportunity to particularly acknowledge Senator DEWINE's tremendous leadership on this legislation in the other body and to thank our original cosponsor and colleague, the gentleman from New York (Mr. TOWNS), who is on the floor; the gentleman from Louisiana (Mr. TAUZIN), committee chairman; and the gentleman from Michigan (Mr. DINGELL), the ranking member; the gentleman from Florida (Mr. BILIRAKIS), the House subcommittee chairman; the gentleman from Ohio (Mr. BROWN), the ranking member; and also for the many staff who have helped. I am grateful for their hard work, particularly Cheryl Jaeger and John Ford, and for the assistance that we have received from the American Association of Poison Control Centers and Jane Williams on my staff who helped shepherd this through so many juggernauts; and if we had a parking place for the staff member of the month in front of the Capitol, her name would be the first inscribed on that plate.

Mr. Speaker, poison control centers provide vital, very cost-effective services to the American public. Each year, more than 2 million poisonings are reported to poison control centers throughout this country. More than 90 percent of these poisonings occur in the home, and 50 percent of poisoning victims are children under the age of 6. For every dollar spent on poison control services, we save $7 in medical costs. We prevent a nightmare from happening in virtually any house that uses the phone number and uses these particular facilities.

The horrific events of 9/11 and the anthrax cases the next month brought home the vital role that our Nation's poison control centers must be prepared to play in the event of further terrorist attacks. The 2001 Presidential Task Force on Citizen Preparedness in the War on Terrorism recommended that poison control centers be used as a source of public information and public education regarding potential biological, chemical, and nuclear domestic terrorism.

Mr. Speaker, the passage and enactment of this bill will ensure that our Nation's poison control centers have the resources that they need to fulfill their vital mission as the first line of defense against accidental poisonings and the response to biological, chemical, and nuclear terrorism. I ask that all of the Members join us in voting for this legislation. It will indeed save lives for many Americans.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. TOWNS), who has worked so hard on this bill.

Mr. TOWNS. Mr. Speaker, I would like to begin by thanking the gentleman from Louisiana (Mr. TAUZIN), the chairman of the committee; the gentleman from Michigan (Mr. DINGELL), the ranking member; of course, the gentleman from Florida (Mr. BILIRAKIS), the Subcommittee on Health chair; and of course, the gentleman from Ohio (Mr. BROWN), the ranking member; and the gentleman from Michigan (Mr. UPTON), who worked very closely with me and also the gentleman from California (Mr. WAXMAN).

Poison control centers have always had broad bipartisan support, and I was delighted once again to join my good friend, the gentleman from Michigan (Mr. UPTON), in sponsoring the House version of the reauthorization.

The role of these centers in basic public health care continues to grow. For example, the Academy of Pediatrics recently urged parents to contact the local poison control centers rather than using the time-honored method of inducing vomiting in children where poisoning is suspected. Our action today will ensure that poison control centers will be there to answer the call for those frightened parents.

Continued strong Federal funding will help to establish new centers as well. This effort is particularly critical at a time when we are increasingly concerned about poison being used as an element of bioterrorism. That is why, Mr. Speaker, I am pleased that language was included to ensure that funds under this bill would go directly to the centers for their work and not diverted to costly and unnecessary studies.

I would like to thank the committee leadership and committee staff on both sides of the aisle for moving this legislation expeditiously, and I would urge our Senate colleagues to ensure that the bill is passed with the House modifications prior to our adjournment.

As a result of what we are doing here today, the lives of people will be saved. Not only that, we will save a lot of money because it is cost-productive.

Many times we have youngsters in particular who end up in the emergency room, and it costs a whole lot more to treat a person in the emergency room than to pick up the phone and call the poison control center and for them to tell that mother who has already panicked that all they have to do is take this and let their son or daughter go to sleep. Therefore, I am excited about this because it is cost-saving, and that is something that we should not forget. Anywhere, anytime we can cut corners and save lives at the same time, then I think we should not hesitate to do it.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he might consume to the gentleman from Texas (Mr. BARTON).

Mr. BARTON of Texas. Mr. Speaker, I want to start off by commending my good friend from Florida (Mr. BILIRAKIS) for his excellent leadership on this and my friends on the Democratic side, the gentleman from Ohio (Mr. BROWN) and the gentleman from New York (Mr. TOWNS) and the gentleman from Michigan (Mr. DINGELL).

The very fact that we have this Poison Control Center Enhancement and Awareness Act Amendments on the floor is helping to depoison the atmosphere of this House. It is good to be on the floor this afternoon working with our friends on the other side of the aisle instead of throwing bricks back and forth. So the very fact that we are bringing this piece of legislation to the floor is helping depoison the atmosphere in the House.

This is a piece of legislation that builds on what was done back in 1999 when we authorized these poison control centers. Former Senator Dave Karnes, a former White House Fellow friend of mine from Nebraska, called me on this piece of legislation several weeks ago, asked if I would touch base with the House leadership and encourage them to move it, as it had already

passed the Senate and was awaiting floor time.

I went to the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Florida (Mr. BILIRAKIS), and they were very willing to put this on a fast track; and, again, I want to thank the gentleman from Florida (Mr. BILIRAKIS) for making this part of the package of the bill that is on the floor this afternoon.

There are somewhere between 2 million and 4 million poison exposures each year to our Nation's children. Thankfully, in many cases of those cases, it does not end up in a catastrophic situation; but unfortunately, on occasion, it does.

The bill before us today, when the President signs it, is going to minimize the possibility or the probability that those exposures will result in a catastrophic situation. As a father of three children, when they were at home, we took advantage of many of the programs that are in this act in terms of labeling our household goods and chemicals and medicines so that our younger children saw the little smiley face turned upside down, the little green poison control, and of course, it had the message on it and the phone number to call locally or regionally if one had a problem.

So I rise in strong support of this. I am assured that we are going to have bipartisan endorsement; and, again, I want to thank the leadership for their strong work, and on our side the gentleman from Florida (Mr. BILIRAKIS) and on the Democrat side, the gentleman from New York (Mr. TOWNS) and the gentleman from Ohio (Mr. BROWN) for their excellent work.

Mr. BROWN of Ohio. Mr. Speaker, I have no other speakers. I think the gentleman from Florida (Mr. BILIRAKIS) has one. Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I would say that the gentleman from Texas (Mr. BARTON) was here earlier, before even the votes. He wanted to really speak on this subject because he has a great interest in it, and I appreciate that interest.

Mr. Speaker, I yield such time as he might consume to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, I want to give my thanks to the gentleman from Florida (Mr. BILIRAKIS), the subcommittee chairman, and the gentleman from New York (Mr. TOWNS) for their help and leadership on this vital legislation; and I rise in strong support of S. 686, the Poison Control Enhancement and Awareness Act, and urge my colleagues to enthusiastically support final passage. As a cosponsor of the House version of H.R. 1819, I am pleased we are considering this critical legislation for approval today.

Mr. Speaker, the Poison Control Enhancement and Awareness Act provides essential support to our Nation's poison control centers. A critical component of the legislation would reauthorize a grant program to keep our poison control centers running and prepared for everyday emergencies.

This grant program is vital for the Carolinas Poison Center, which serves all of North Carolina. Carolinas Poison Center provides life-saving help to parents whose children have swallowed something dangerous, physicians who have unexplained illnesses, hospital emergency rooms which know what the toxic exposure was to a patient but need instructions on how to treat it, and many others in need of critical information about toxic exposure. Carolinas Poison Center's ability to continue these essential services depends on the continuation of the essential grant program as provided in Senate 686, which funds approximately one-fourth of its budget.

The tragic events of September 11 and the anthrax cases of October 2001 have dramatically changed our Nation. During this time, the Carolinas Poison Center, as well as poison centers throughout the country, answered thousands of additional calls from concerned residents. The Carolinas Poison Center was utilized by many citizens as the primary source for accurate medical information about anthrax and other potential bioterrorism diseases but also for the complications resulting from prophylactic antibiotic therapy.

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Poison control centers throughout the country have become critical sources of local, State and regional bioterrorism response and information in cooperation with the Centers for Disease Control. The Carolinas Poison Center recently completed an analysis of the 2000–2002 human exposure and information call volume, as well as reported human exposure clinical effects in order to determine daily volume and effects baselines, and threshold limits for detection of possible biochemical and disease outbreaks. These results were reported to State public health officials, and software capabilities that enabled Carolinas Poison Control Center were funded, in part, by Federal Prison Control Center grant funds.

Mr. Speaker, I commend my colleagues on the Committee on Energy and Commerce for their work on this critical legislation, and our leadership for helping to move it forward today. I urge my colleagues to join me in securing passage for this essential legislation.

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

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the Senate bill, S. 686, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BILIRAKIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

BIRTH DEFECTS AND DEVELOPMENTAL DISABILITIES PREVENTION ACT OF 2003

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 286) to revise and extend the Birth Defects Prevention Act of 1998.

The Clerk read as follows:

S. 286

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 ''Birth Defects and Developmental Disabilities Prevention Act of 2003''.

SEC. 2. NATIONAL CENTER ON BIRTH DEFECTS AND DEVELOPMENTAL DISABILITIES.

Section 317C of the Public Health Service Act (42 U.S.C. 247b–4) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (A)—

(i) by striking ''and developmental disabilities'' and inserting '', developmental disabilities, and disabilities and health''; and

(ii) by striking ''subsection (d)(2)'' and inserting ''subsection (c)(2)'';

(B) in subparagraph (B), by striking ''and'' at the end;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding at the end the following:

''(D) to conduct research on and to promote the prevention of such defects and disabilities, and secondary health conditions among individuals with disabilities; and

''(E) to support a National Spina Bifida Program to prevent and reduce suffering from the Nation's most common permanently disabling birth defect.'';

(2) by striking subsection (b);

(3) in subsection (d)—

(A) by striking paragraph (1) and inserting the following:

''(1) contains information regarding the incidence and prevalence of birth defects, developmental disabilities, and the health status of individuals with disabilities and the extent to which these conditions have contributed to the incidence and prevalence of infant mortality and affected quality of life;'';

(B) in paragraph (3), by inserting '', developmental disabilities, and secondary health conditions among individuals with disabilities'' after ''defects'';

(C) in paragraph (4), by striking ''and'' at the end;

(D) by redesignating paragraph (5) as paragraph (7); and

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

''(5) contains information on the incidence and prevalence of individuals living with birth defects and disabilities or developmental disabilities, information on the health status of individuals with disabilities, information on any health disparities experienced by such individuals, and recommendations for improving the health and wellness and quality of life of such individuals;

''(6) contains a summary of recommendations from all birth defects research conferences sponsored by the Centers for Disease Control and Prevention, including conferences related to spina bifida; and'';

(4) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively;

(5) by inserting after subsection (d) (as so redesignated), the following:

''(e) ADVISORY COMMITTEE.—Notwithstanding any other provision of law, the members of the advisory committee appointed by the Director of the National Center for Environmental Health that have expertise in birth defects, developmental disabilities, and disabilities and health shall be transferred to and shall advise the National Center on Birth Defects and Developmental Disabilities effective on the date of enactment of the Birth Defects and Developmental Disabilities Prevention Act of 2003.''; and

(6) in subsection (f), by striking ''$30,000,000'' and all that follows and inserting ''such sums as may be necessary for each of fiscal years 2003 through 2007.''.

SEC. 3. TECHNICAL CORRECTIONS FOR STATE COUNCILS ON DEVELOPMENTAL DISABILITIES.

(a) IN GENERAL.—Section 122(a) of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15022(a)) is amended—

(1) in paragraph (3)(A)(ii), by inserting before the period the following: '', the amount received by the State for the previous year, or the amount of Federal appropriations received in fiscal year 2000, 2001, or 2002, whichever is greater''; and

(2) in paragraph (4)(A)(ii), by inserting before the period the following: '', the amount received by the State for the previous year, or the amount of Federal appropriations received in fiscal year 2000, 2001, or 2002, whichever is greater''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2003 and apply to allotments beginning in fiscal year 2004.

SEC. 4. REPORT ON SURVEILLANCE ACTIVITIES.

Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services jointly with the Secretary of Education shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce and Committee on Education and the Workforce of the House of Representatives a report concerning surveillance activities under section 102 of the Children's Health Act of 2000 (Public Law 106-310), specifically including—

(1) a description of the current grantees under the National Autism and Pervasive Developmental Disabilities Surveillance Program and the Centers of Excellence in Autism and Pervasive Developmental Disabilities the data collected, analyzed, and reported under such grants, the sources of such data, and whether such data was obtained with parental consent as required under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g);

(2) a description of current sources of data for the surveillance of autism and developmental disabilities and the methods for obtaining such data, including whether such data was obtained with parental or patient consent for disclosure;

(3) an analysis of research on autism and developmental disabilities with respect to the methods of collection and reporting, including whether such research was obtained with parental or patient consent for disclosure;

(4) an analysis of the need to add education records in the surveillance of autism and other developmental disabilities, including the methodological and medical necessity for such records and the rights of parents and patients in the use of education records (in accordance with the Family Educational Rights and Privacy Act of 1974);

(5) a description of the efforts taken by the Centers for Disease Control and Prevention to utilize education records in conducting the surveillance program while obtaining parental or patient consent for such education records, including the outcomes of such efforts;

(6) a description of the challenges provided to obtaining education records (in the absence of parental or patient consent) for the purpose of obtaining additional surveillance data for autism and other developmental disabilities; and

(7) a description of the manner in which such challenges can be overcome, including efforts to educate parents, increase confidence in the privacy of the surveillance program, and increase the rate of parental or patient consent, and including specific quantitative and qualitative justifications for any recommendations for changes to existing statutory authority, including the Family Educational Rights and Privacy Act of 1974.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) reach will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 286, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of S. 286, which is the Birth Defects and Developmental Disabilities Prevention Act. This legislation will allow public health surveillance for developmental disabilities using records maintained by local educational institutions.

A baby born in America today has a life expectancy 30 years longer than a child born at the turn of the century. Public health initiatives are largely responsible for this vast improvement, but we cannot rest on our laurels, Mr. Speaker, because much more remains to be done.

Many of us have worked diligently to examine many of the difficult barriers we face in working to improve children's health and well-being, and this legislation, initiated by our colleague, the gentleman from New Jersey, (Mr. FERGUSON), and helped to a large degree by another colleague from New Jersey (Mr. SMITH) and so many others, the gentleman from Ohio (Mr. BROWN) and so many others, will assist the Centers for Disease Control and Prevention in accurately determining the size and scope of many developmental disabilities, including autism, mental retardation, and cerebral palsy.

My hope, Mr. Speaker, is that this information will ultimately help us identify causes and possible cures for these disabling, very disabling conditions. I might add these diseases are not only disabling insofar as the child is concerned, but what it does to the parents is just unbelievable. I know we have all seen that, and, hopefully, we can find some way to find at least the causes.

In any case, Mr. Speaker, I urge all of my colleagues to support this legislation that the Senate has already passed.

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

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

I want to thank my colleague, the gentleman from Maryland (Mr. HOYER), for his tireless work on the issue of developmental disabilities, as well as the ranking member of the committee, the gentleman from Michigan (Mr. DINGELL), and the chairman of the committee, the gentleman from Louisiana (Mr. TAUZIN), and their staff, who deserve plaudits for their work in bringing this to the floor.

Mr. Speaker, 150,000 children are born each year with a birth defect. That is 150,000 families too many who receive the news no new parent should ever have to hear. Both genetic and environmental factors can cause birth defects, but for over 60 percent of them, the causes still remain unknown.

In 1998, Congress passed the Birth Defects Prevention Act, which created a Federal birth defects prevention and surveillance strategy. A couple of years later, the gentleman from Florida (Mr. BILIRAKIS) and I introduced and worked together to pass the Children's Health Bill Act of 2000, which established the National Center on Birth Defects and Developmental Disabilities at the Centers for Disease Control and Prevention in Atlanta.

Passage of these two bills demonstrated a congressional commitment to address two significant threats to children's health, birth defects and developmental disabilities. The bill we are considering today, the Birth Defects and Developmental Disabilities Prevention Act, will strengthen that commitment towards children and has the overwhelming support of the children's advocacy community.

The National Center on Birth Defects and Developmental Disabilities at CDC does extensive research and provides indispensable resources on birth defects, such as autism, spina bifida, and fetal alcohol syndrome, as well as research and support focusing on childhood and adult disabilities. Passage of this bill will go a long way towards continuing these critical efforts.

The bill also continues the important work States have done expanding community-based birth defects tracking systems, programs to prevent birth defects and activities to improve access to health services for children with birth defects.

History has shown when we choose to confront a public health problem that threatens the health and lives of children, we can indeed and often have stopped it in its tracks. Before the development of the polio vaccine in the 1950s, an estimated 50,000 people in the U.S. were affected by polio each year. With the widespread vaccination of children beginning in the 1950s, polio has been virtually eliminated in the United States, and there have been no new cases since 1991.

Mr. Speaker, I wear on my lapel a pin, which is a canary in a bird cage. The mineworkers took a canary down in the mines 100 years ago, and if the canary died, the mineworker knew he had to get out of the mines. In those days, 100 years ago, the workers had no real protection in the mines from government or from labor unions. In those days, a child born in the United States 100 years ago had a life expectancy of 46, 47, 48 years old. One hundred years later, because of our public health infrastructure, because of legislation like the one that the gentleman from Florida (Mr. BILIRAKIS) worked on, because of Medicare and Social Security and the safe drinking water and clean air laws and seat belt laws and prohibitions on child labor and civil rights laws and laws protecting the women and the disabled, we have come so far so that our life expectancy is literally three decades longer.

That is not because of transplants or because of chemotherapy, it is mostly because of public health initiatives like we are addressing today. The only threat to that, Mr. Speaker, is that some people, sometimes in this body, have fallen short on providing for that public health infrastructure. We have too often, in efforts to privatize Medicare or Social Security or to weaken environmental laws and worker-safety laws, we have sometimes backslid on some of these advancements we have made in the last hundred years.

Unfortunately, this week is an example, with the bill to privatize Medicare, of sliding back. It will do nothing to lengthen people's lives. In fact, it will do the opposite. However, today, Mr. Speaker, this legislation brought to the floor by the gentleman from Florida (Mr. BILIRAKIS), the gentleman from Maryland (Mr. HOYER), and I, the gentleman from Michigan (Mr. DINGELL), the gentleman from Louisiana (Mr. TAUZIN), and others will, in fact, strengthen that public health system, will, in fact, strengthen the Centers for Disease Control to help us and them tackle other children's health problems with the same resolve that we tackled polio.

Passage of the Birth Defects and Developmental Disabilities Prevention Act is an important step towards that goal, and I urge my colleagues to support it.

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

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman for all those comments. He puts it so very well.

My oldest son, Emmanuel, is a physician, an internist. He works awfully hard, puts in a lot of hours and does not make much money. Sort of like the late father of the gentleman from Ohio (Mr. BROWN). But when he was going through his rotation, he told me the toughest one was the one dealing with pediatrics, with children, and to see some of these parents, particularly with the autistic children.

I would say that the children's health bill that the gentleman from Ohio (Mr. BROWN) referred to, a great impetus on that, to a large degree, was due to the actress Rene Russo. She really pushed us on that. She came here and testified, and I am just glad we were able to do it. But at the same time, we see all these terrible things happening.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FERGUSON), the father of this bill, this very needed bill, this very great bill.

Mr. FERGUSON. Mr. Speaker, I want to thank the chairman for the great work he has done in helping to shepherd this bill, and also to thank the gentleman from Ohio (Mr. BROWN) and our friends on the other side of the aisle who have worked with us in great cooperation.

Mr. Speaker, many people are not aware that birth defects affect over 3 percent of all births in America, and that they are also the leading cause of infant death. Among the babies who survive, their birth defects often result in lifelong disabilities. Now, thankfully, families who are blessed with a special needs child find their hearts and minds grow immeasurably as they care for and work to meet the needs of their precious new addition. These families also face many challenges, however, and we have a responsibility to address those disabilities which are, in fact, preventable.

In 1998, we passed the Birth Defects Prevention Act, which created a Federal birth defects prevention and surveillance strategy. This bill passed the Senate by a voice vote and the House 405–2. That was followed by the Children's Health Act of 2000, which established the National Center on Birth Defects and Developmental Disabilities at the Center for Disease Control. With these two important pieces of legislation, Congress recognized that birth defects and developmental disabilities are major threats to children's health.

The Birth Defects and Developmental Disabilities Prevention Act of 2003 revises and extends the Birth Defects Prevention Act of 1998. This bill is straightforward, and it has the support of the March of Dimes, the Spina Bifida Association of America, the Autism Society of America, among others. This legislation renews a Federal commitment to protecting children's health.

With the commitment of this Congress, we can help prevent birth defects and developmental disabilities in children, we can promote child development, and we can ensure the health and wellness among children and adults who are living with disabilities. I want to express my appreciation, once again, for the chairman's leadership on this issue.

Mr. DINGELL. Mr. Speaker, I strongly support S. 286, the ''Birth Defects and Developmental Disabilities Prevention Act of 2003.'' I would like to commend my colleagues, particularly Representatives BROWN and STUPAK for working so diligently on this legislation.

Birth defects are the leading cause of infant mortality in the United States, accounting for more than 20 percent of all infant deaths. About 150,000 babies are born each year with birth defects; this means frightening news for the parents of one out of every 28 babies. Both genetic and environmental factors can cause birth defects; however, the causes of 60 to 70 percent of all birth defects are unknown. These shocking numbers compel us to take steps to learn more about their causes, to identify factors that may cause or increase the risk of a baby having a birth defect, to educate the public about these potential risks, and to inform women about how to protect themselves and their babies.

S. 286 reauthorizes the programs of the National Center on Birth Defects and Developmental Disabilities at the Centers for Disease Control and Prevention (CDC) and requires the Secretary of Health and Human Services to conduct research on and promote the prevention of birth defects and developmental disabilities. This legislation also supports a National spina bifida program to prevent and reduce suffering from the Nation's most common permanently disabling birth defect. All of these measures will enable the CDC to both expand and continue its work in promoting the health of babies, children, and adults by working to identify the causes of birth defects and developmental disabilities.

The Birth Defects and Developmental Disabilities Prevention Act of 2003 is supported by many organizations, including the March of Dimes and it deserves our support as well.

Mr. SMITH of New Jersey. Mr. Speaker, I rise today to support this important bill, the Birth Defects and Developmental Disabilities Prevention Act, which will bolster our Federal Government's efforts to prevent unborn babies from developing birth defects and help these special children after birth.

Specifically, this piece of legislation contains two provisions that are especially important to our work helping those who suffer from autism and spina bifida, which combined affect more than 1.5 million Americans and their families.

This bill will codify our Government's support for a National Spina Bifida Program at the Centers for Disease Control and Prevention (CDC). Last year, thanks to widespread support of many in this Chamber, we were able to secure initial funding to establish this program. And this year, members of the Congressional Spina Bifida Caucus—which I cochair along with my friend Congressman STUPAK—are working hard to continue to grow and develop the program.

The National Program is working to prevent cases of spina bifida by spreading the word to

all women of child-bearing age that daily consumption of .4 milligrams of folic acid supplements can reduce their baby's chance of developing spina bifida by 75 percent. The program is working with the National Institutes of Health and other agencies to develop new therapies for people born with spina bifida. Additionally, it is helping better educate doctors and nurses on how they should best care of these patients, and working to reach patients and clinicians what they must do to prevent and treat various secondary health problems to which people with spina bifida are particularly susceptible.

I look forward to continuing to work with my colleagues in Congress, officials at the CDC, and the hardworking advocates with the National Spina Bifida Program to help all those living with spina bifida.

Secondly, S. 286 contains a very important provision addressing an ongoing autism surveillance project I authored several years ago and which was incorporated as title I of the Children's Health Act. Right now, the CDC, in conjunction with state health departments and other research entities, is conducting autism surveillance in more than 15 States, including New Jersey. The rate of diagnosis of new autism patients is at least 1 in every 250 people, and may be even higher in some regions.

In order for us to obtain an accurate picture of the Nation's autism epidemic, it is absolutely imperative that health officials have the ability to gather the data they need. The provision in S. 286 will help ensure that the Departments of Health and Human Services and Education will work together to gather this much-needed data from education records, which are estimated to be the source of more than 40 percent of the data in need.

Without this coordination by health and education officials, we will never obtain an accurate picture of the autism epidemic because in order to achieve optimum results, we need to know more about this disorder, what causes it, and what we can do to prevent it. This data being collected is indispensable and will help us improve life for all with autism.

I would like to thank all of my colleagues who helped bring this bill to the floor today, and I look forward to continuing to work together so we can have healthier, happier babies and families.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the Senate bill, S. 286.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BILIRAKIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SUPPORTING GOALS AND IDEALS OF NATIONAL EPILEPSY AWARENESS MONTH

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and concur in the Senate concurrent resolution (S. Con. Res. 48) supporting the goals and ideals of ''National Epilepsy Awareness Month'' and urging support for epilepsy research and service programs.

The Clerk read as follows:

S. CON. RES. 98

Whereas epilepsy is a neurological condition that causes seizures and affects 2,300,000 people in the United States;

Whereas a seizure is a disturbance in the electrical activity of the brain, and 1 in every 12 Americans will suffer at least 1 seizure;

Whereas 180,000 new cases of seizures and epilepsy are diagnosed each year, and 3 percent of Americans will develop epilepsy by the time they are 75;

Whereas 41 percent of people who currently have epilepsy experience persistent seizures despite the treatment they are receiving;

Whereas a survey conducted by the Centers for Disease Control and Prevention demonstrated that the hardships imposed by epilepsy are comparable to those imposed by cancer, diabetes, and arthritis;

Whereas epilepsy in older children and adults remains a formidable barrier to leading a normal life by affecting education, employment, marriage, childbearing, and personal fulfillment;

Whereas uncontrollable seizures in a child can create multiple problems affecting the child's development, education, socialization, and daily life activities;

Whereas the social stigma surrounding epilepsy continues to fuel discrimination, and isolates people who suffer from seizure disorders from mainstream life;

Whereas a significant number of people with epilepsy may lack access to medical care for the treatment of the disease;

Whereas in spite of these formidable obstacles, people with epilepsy can live healthy and productive lives and make significant contributions to society;

Whereas November is an appropriate month to designate as ''National Epilepsy Awareness Month''; and

Whereas the designation of a ''National Epilepsy Awareness Month'' would help to focus attention on, and increase understanding of, epilepsy and those people who suffer from it: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) supports the goals and ideals of a ''National Epilepsy Awareness Month'';

(2) requests the President to issue a proclamation declaring a ''National Epilepsy Awareness Month'';

(3) calls upon the American people to observe ''National Epilepsy Awareness Month'' with appropriate programs and activities; and

(4) urges support for epilepsy research programs at the National Institutes of Health and at the Centers for Disease Control and Prevention.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H. Con. Res.48, the concurrent resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of Senate Concurrent Resolution 48, a concurrent resolution supporting the goals and ideals of National Epilepsy Awareness Month. This resolution urges funding for epilepsy research and service programs.

More than 2 million people in the United States have epilepsy. Approximately 300,000 of those 2 million are children or adolescents. November has been designated as National Epilepsy Awareness Month to increase public awareness of this very debilitating disease.

Epilepsy is a chronic condition that produces random, temporary changes in the brain's electrical activities. These changes cause seizures that affect awareness, movement, or sensation. Although there is currently no cure, there is medication available that can help to control seizures and to enable people with epilepsy to lead normal lives.

I would like to acknowledge, I guess I will call them the mothers of this legislation, Senator LINCOLN from the other body, and the gentlewoman from Florida (Ms. BROWN), my colleague from my home State, for their making us aware of this.

As chairman of the Subcommittee on Health of the Committee on Energy and Commerce, Mr. Speaker, I believe it is important that Congress work to increase public awareness of epilepsy and to dispel any myths and stigma, and, gosh knows, even today, there is still some stigma associated with this disease, and to promote research into the causes, treatment, and possible cures.

□ 1715

Mr. Speaker, I urge my colleagues to support the resolution.

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

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

Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) again, and especially the gentlewoman from Florida (Ms. CORRINE BROWN) for her work raising awareness about epilepsy. I would add that the gentlewoman from Florida (Ms. CORRINE BROWN) is interested in this legislation in response to what constituents have told her, that when people come forward and express what is important to them, often a Member of Congress responds to their constituents and really goes to bat for them, and the gentlewoman from Florida (Ms. CORRINE BROWN) did that with this legislation.

Epilepsy is a devastating and prevalent illness in our country. Ineffective treatment, delayed or lack of access to high-quality specialized care and the severity of the underlying neurological disorder are all possible contributors to the development of hard-to-control seizures.

Education and public awareness initiatives encouraging timely diagnosis and appropriate treatment can reduce the risk of severe brain damage. These strategies also can address damaging misconceptions which so many of us have about this disease. The resolution we are considering today recognizes the importance of our continuing fight against epilepsy,and the significant role the National Epilepsy Awareness Month plays in this effort. I hope my colleagues will join me in honoring the nearly 2.5 million Americans with epilepsy, will pass this resolution, and encourage all of us to take extra steps to combat this awful disease.

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

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

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Florida (Ms. CORRINE BROWN).

Ms. CORRINE BROWN of Florida. Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) for their leadership on this matter.

Mr. Speaker, 25 million Americans, or one in every 10, will experience at least one seizure in their lifetime. At least 2.3 million Americans currently have epilepsy, but the effects of this disease extend to family members, caregivers, and employers.

Epilepsy is a neurological condition characterized by recurrent, unprovoked seizures. Seizure disorders can develop and strike at any time in life. Approximately one-third of the 181,000 new cases of epilepsy and seizures that develop each year begin in childhood, and as many as 44 percent of the people with epilepsy continue to have seizures despite treatment. While the disorder does not discriminate, the state of health care in this country is such that the impact is most heavily felt in minority communities. Currently, there is no cure.

Epilepsy can be a formidable barrier to normal life, affecting educational attainment, employment, and personal fulfillment. The stigma associated with seizures and societal misconceptions about them remain as facts of life for many individuals with epilepsy and magnify the social effects of this condition. Increased health care costs result in an economic burden on individuals, families, communities, and society as a whole. A 3-year study, sponsored by the Epilepsy Foundation, to determine the financial cost to individuals and the Nation found that the annual economic cost is approximately $12.5 billion. Of this, $1.7 billion is direct medical costs while $10.8 billion is indirect costs such as lost earning power, social isolation, and widespread unemployment. The study also found marked divisions in costs among people with epilepsy whose seizures are well controlled and those who continue to experience seizures despite treatment.

Another disturbing fact about this issue, African Americans and minority populations are suffering disproportionately. Once again, when this country gets a cold, the African American community gets pneumonia. The Epilepsy Foundation recently launched a diversity initiative with the goal of ensuring that all people with epilepsy have access to valuable services and information that help them manage their condition, monitor their health, and pursue the highest quality health care. The initiative was launched in response to disparities identified in health care access and quality of life with epilepsy who are members of minority communities.

As our population continues to grow more diverse, these findings provide a wake-up call to the health care community that the health care quality divide is in danger of turning into a gulf. The Institute of Medicine reports that African Americans, Hispanics, and other minorities receive lower-quality health care than whites, even when income, age, and insurance status were considered.

The disparities in health care delivery to minorities are real. The real challenge is to take the reality and develop solutions. Awareness is the first step. It is for this compelling reason that I ask you to join me in designating November 2003 as National Epilepsy Awareness Month. This resolution passed the Senate earlier this year, and it is now up to the House to ensure that this measure is recognized. Together we can make a difference in the lives of people struggling with the medical and social impact of this serious health condition. I ask Members to please join me in supporting S. Con. Res. 48.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, I would like to say how pleased I am to have worked with the gentleman from Ohio (Mr. BROWN) on these suspensions here today. We have had a number of them. We have been here quite awhile, about 4 hours; and it is an illustration of what we can do if we work together. I would also like to express my appreciation to the staff on both sides of the aisle.

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

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

Mr. Speaker, I would like to echo the words of the gentleman from Florida (Chairman BILIRAKIS) and the cooperation that he always shows in putting together good legislation out of the Subcommittee on Health.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I rise today in strong support of S. Con. Res. 48, recognizing the goals of National Epilepsy Awareness Month.

Passing this resolution sends a strong signal of support to the 2.3 million Americans who suffer from this heart-breaking condition and life-threatening condition, and most importantly to their families.

Current treatments help for some, but not all. Twenty-five percent of all patients experience seizures which cannot be controlled, placing them in danger of irreversible damage. I applaud the continuing efforts of the researchers and medical professionals who improve the lives of those afflicted by epilepsy and who work towards its eventual cure. They deserve our unwavering support.

I want to also recognize one Chicago-based organization, which I am intimately and personally involved with. Through nationwide grass roots efforts, Citizens United for Research in Epilepsy, or CURE, seeks to find a cure for pediatric epilepsy and to raise public awareness of the disease, and they deserve our thanks.

Epilepsy is a cross-cultural condition that strikes people of all ages and income levels. In fact, 3 percent of all Americans will develop epilepsy by the time they reach age 75. Millions of people confront this tremendously challenging physical barrier to completing their education, working in the workplace, and supporting a family. Some must face this challenge without access to proper treatment.

We must support the effort of the National Institutes of Health and the Centers for Disease Control in their continued pursuit to improve these treatments. We must expand access to these treatments to all afflicted Americans regardless of income. And we must increase awareness among the American people of the severity and prevalence of this health crisis.

Mr. Speaker, I thank our colleagues in the Senate for passing this important resolution, as well as the gentleman from Ohio (Mr. BROWN) and the gentlewoman from Florida (Ms. CORRINE BROWN), and I strongly encourage my colleagues to support S. Con. Res. 48.

Mr. EMANUEL. Mr. Speaker, I rise today in strong support of S. Con. Res. 48, recognizing the goals of National Epilepsy Awareness Month. Passing this resolution sends a strong signal of support to the 2.3 million Americans who suffer from this debilitating condition and to their families. It signals our commitment to raising awareness of epilepsy and to providing the research funding needed to eradicate this heartbreaking and life-threatening condition.

Earlier this year, I circulated to my colleagues an article from the February 18th edition of the New York Times. It described mounting new evidence about seizures, its causes and effects, and the need for increasing research. There is growing awareness

among physicians and researchers that seizures can lead to brain damage, increased susceptibility to more frequent seizures, and even sudden death.

There has been a dramatic increase in epilepsy research over the last decade, but there is still much work to be done. Twenty-five percent of epileptic patients have uncontrollable seizures. Current treatment does not prevent some patients from suffering seizures and irreversible damage. That is why we have a responsibility to expand research to improve these treatments.

In my hometown of Chicago, one organization that is working to improve treatments for epilepsy is Citizens United for Research in Epilepsy, or CURE. CURE is a national organization founded by parents of children with epilepsy, which, through grassroots efforts, seeks to find a cure for pediatric epilepsy and to raise public awareness of the disease and its devastation.

Epilepsy is a cross cultural condition that strikes people of all ages and income levels. In fact, 3 percent of all Americans will develop epilepsy by the time they reach age 75. That's 3 percent who must confront a tremendously challenging physical barrier to completing their education, contributing in the workplace, and supporting a family life. While it is a formidable and daunting challenge, there is good news. Although existing treatments may not cure epilepsy, they can certainly help patients confront the challenge and lead normal, productive and happy lives. The bad news is that not all Americans have access to these services. Because they lack the resources for comprehensive treatment, they, their families, and their communities suffer needlessly.

We must support the efforts of the National Institutes of Health and the Centers for Disease Control in their continued efforts to improve these treatments. We must expand access to these treatments to all afflicted Americans regardless of income. And we must increase awareness among the American people of the severity and prevalence of this health crisis.

Mr. Speaker, I thank our colleagues in the Senate for passing this important resolution, as well as the gentlelady from Florida, Ms. BROWN, for introducing a companion resolution in the House. I also applaud the continuing efforts of the researchers and medical professionals who improve the lives of those afflicted by epilepsy, and who work towards its eventual cure. They deserve our unwavering support. I strongly encourage my colleagues to vote for S. Con. Res. 48.

Mr. HOYER. Mr. Speaker, I am pleased to support this resolution, S. Con. Res. 48, supporting the goals and ideals of National Epilepsy Awareness Month.

More than 2.3 million people in the United States have some form of epilepsy. Thirty percent of them are children under the age of 18. About 180,000 new cases of seizures and epilepsy are diagnosed each year. A large number of children and adults have undetected or untreated epilepsy. Yet so many people know very little about the condition, including how to detect it, and how to treat it.

I serve on the Labor, Health and Human Services, and Education Appropriations Subcommittee and have long advocated an increased federal commitment for both the research and treatment for adults and children with epilepsy. I have supported greater epilepsy research at the National Institutes of Health to study causes and cures of this neurological condition. I was honored to be a part of establishing the first epilepsy-specific program at the Centers for Disease Control and Prevention. And I am pleased that this year the House has provided $3 million for the Health Resources and Services Administration to implement a demonstration public health program to serve people with epilepsy who lack access to adequate medical care. I hope that funding will be included in the final omnibus appropriations bill for this purpose.

While the progress we have made so far in increasing research and improving public health strategies for epilepsy is important, we must also continue to increase awareness and education. By increasing awareness we can affect social attitudes, government programs, and the delivery of health care services for persons currently without treatment. We can improve efforts for prevention and treatment. And perhaps one day soon we can find a cure.

In about 70 percent of epilepsy cases there is no known cause. Of the remaining 30 percent, the most frequent causes are head trauma (such as from a car accident, sports accident, or a fall), brain tumor, stroke, poisoning (including lead poisoning and alcoholism), infection, or maternal injury.

But with treatment, people can achieve full or partial control of seizures in about 85 percent of cases. Drug therapy is often required treatment, and less often, surgery. Dietary changes can also sometimes control seizures.

Improved prevention and treatment is dependent on improved awareness and education.

This week many of us in Congress are discussing the need to provide seniors greater and improved access to prescription drugs. Seniors with epilepsy are no different. They need unimpeded access to, and coverage for, the critical anti-epileptic drugs that treat their condition. Many people with epilepsy are concerned about the availability of all anti-epileptic drug options when enrolling in managed care plans. A Medicare bill that pushes seniors into managed care may not meet the needs of this population. When we consider the Medicare legislation before us, we must ensure that seniors, including seniors with epilepsy, should not be forced to worry about their drug coverage.

I applaud this resolution and support the establishment of an annual Epilepsy Awareness Month.

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

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and concur in the Senate concurrent resolution, S. Con. Res. 48.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

BASIC PILOT PROGRAM EXTENSION AND EXPANSION ACT OF 2003

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1685) to extend and expand the basic pilot program for employment eligibility verification, and other purposes.

The Clerk read as follows:

S. 1685

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 ''Basic Pilot Program Extension and Expansion Act of 2003''.

SEC. 2. EXTENSION OF PROGRAMS.

Section 401(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by striking ''6-year period'' and inserting ''11-year period''.

SEC. 3. EXPANSION OF THE BASIC PILOT PROGRAM.

(a) IN GENERAL.—Section 401(c)(1) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by inserting after ''United States'' the following: '', and the Secretary of Homeland Security shall expand the operation of the program to all 50 States not later than December 1, 2004''.

(b) REPORT.—Section 405 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) by striking ''The'' and inserting:

''(a) IN GENERAL.—The'', and

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

''(b) REPORT ON EXPANSION.—Not later than June 1, 2004, the Secretary of Homeland Security shall submit to the Committees on the Judiciary of the House of Representatives and the Senate a report—

''(1) evaluating whether the problems identified by the report submitted under subsection (a) have been substantially resolved; and

''(2) describing what actions the Secretary of Homeland Security shall take before undertaking the expansion of the basic pilot program to all 50 States in accordance with section 401(c)(1), in order to resolve any outstanding problems raised in the report filed under subsection (a).''

(c) CONFORMING AMENDMENTS.—Section 402(c) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) in paragraph (2)(B), by striking ''or entity electing—'' and all that follows through ''(ii) the citizen attestation pilot program'' and inserting ''or entity electing the citizen attestation pilot program'';

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(d) ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.—Title IV of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by striking ''Attorney General'' each place that term appears and inserting ''Secretary of Homeland Security''.

SEC. 4. PILOT IMMIGRATION PROGRAM.

(a) PROCESSING PRIORITY UNDER PILOT IMMIGRATION PROGRAM FOR REGIONAL CENTERS TO PROMOTE ECONOMIC GROWTH.—Section 610 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1993 (8 U.S.C. 1153 note) is amended—

(1) by striking ''Attorney General'' each place such term appears and inserting ''Secretary of Homeland Security''; and

(2) by adding at the end the following:

''(d) In processing petitions under section 204(a)(1)(H) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(H)) for classification under section 203(b)(5) of such Act (8 U.S.C. 1153(b)(5)), the Secretary of Homeland Security may give priority to petitions filed by aliens seeking admission under the pilot program described in this section. Notwithstanding section 203(e) of such Act (8 U.S.C. 1153(e)), immigrant visas made available under such section 203(b)(5) may be issued to such aliens in an order that takes into account any priority accorded under the preceding sentence.''.

(b) EXTENSION.—Section 610(b) of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1993 (8 U.S.C. 1153 note) is amended by striking ''10 years'' and inserting ''15 years''.

SEC. 5. GAO STUDY.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the General Accounting Office shall report to Congress on the immigrant investor program created under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)).

(b) CONTENTS.—The report described in subsection (a) shall include information regarding—

(1) the number of immigrant investors that have received visas under the immigrant investor program in each year since the inception of the program;

(2) the country of origin of the immigrant investors;

(3) the localities where the immigrant investors are settling and whether those investors generally remain in the localities where they initially settle;

(4) the number of immigrant investors that have sought to become citizens of the United States;

(5) the types of commercial enterprises that the immigrant investors have established; and

(6) the types and number of jobs created by the immigrant investors.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1685, the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering Senate 1685, a bill authored by Senator GRASSLEY that represents a fair and reasonable compromise regarding the reauthorization of the employment eligibility verification pilot project.

The Immigration Reform and Control Act of 1986 made it unlawful for employers to knowingly hire or employ illegal aliens and required employers to check the identity and work eligibility documents of all new employees. Unfortunately, illegal aliens have used the easy and cheap availability of counterfeit documents to make a mockery of this law. Today's document-based verification system just does not work. It frustrates employers who do not want to hire illegal aliens but have no other choice than to accept documents that have a high likelihood of being counterfeit.

In 1996, Congress responded to this state of affairs by creating a pilot program under which employers who elect to participate may submit the Social Security and alien identification numbers of newly hired employees to be checked against Social Security Administration and INS records.

□ 1730

This weeds out bogus numbers provided by illegal aliens and thus ensures that new hires are genuinely eligible to work.

The pilot program has been a great success over its 6 years of operation. A recent study found that 96 percent of participating employers believed the pilot to be an effective and reliable tool for employment verification, 94 percent believed it to be more reliable than the IRCA-required document check, and 83 percent believed that participating in the pilot reduced uncertainty regarding work authorization. The study recommended the continuation of the pilot.

Last month, this body considered H.R. 2359, introduced by the gentleman from California (Mr. CALVERT), that would have extended the pilot program for an additional 5 years. It would have allowed employers throughout the Nation to voluntarily participate. Currently, the Department of Homeland Security is required to operate the pilot in at least five of the seven States with the highest estimated number of illegal aliens.

Senate 1685 also extends the pilot for an additional 5 years. It also takes two steps to address the concerns of some of our colleagues that aspects of the pilot program can be improved. First, the bill delays nationwide expansion for a year. It provides that employers in all States shall be able to participate in the basic pilot program no later than December 1, 2004. In addition, not later than June 1, 2004, the Secretary of Homeland Security shall complete a report evaluating whether any problems identified in the 2001 report on the basic pilot program have been substantially resolved and describing what actions the Secretary shall take to resolve any outstanding problems before undertaking the expansion of the program.

Senate 1685 also addresses the immigrant investor visa program. To encourage economic development through the program, Congress created a 5-year temporary pilot program in 1993 that set aside 3,000 immigrant visas each year for aliens who invested at least $500,000 in designated regional centers. A regional center is any economic unit, public or private, which is involved with the promotion of economic growth, including increased export sales, improved regional productivity, job creation, or increased domestic capital investment. A center seeking approval must submit a proposal showing how it plans to focus on a geographical region within the United States to achieve the required growth. Once a center has been approved, an alien applicant can receive an investor visa by showing that he will make the qualifying investment within the approved regional center. In 2000, Congress extended this program until September 2003.

Senate 1685 extends this pilot program for an additional 5 years and also allows the Department of Homeland Security to process investor visa petitions involving regional centers expeditiously, as compared to nonpilot program investor visa petitions.

I urge my colleagues to support this bill. The legislation will provide willing employers throughout the Nation the tools they need to hire a legal workforce.

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

The consideration of S. 1685 is a positive step toward resolving a concern that many Americans have as relates to ensuring the complete and accurate employment of those who are able and should be employed in a legal manner. The basic pilot is a temporary, voluntary program for electronically verifying the employment authorization of newly-hired employees. The bill, S. 1685, would extend the program for another 5 years.

The objective of employment verification is to ensure that American employers hire workers who are authorized to work in the United States. Under the basic pilot, the employer examines the documents of a newly-hired employee and then transmits the pertinent information electronically to an office of the Social Security Administration. The SSA office compares the information with its records. In the case of a foreign worker, the SSA office will pass the information on to the Bureau of Citizenship and Immigration Services.

The BCIS compares the alien's employment data with immigration records to determine whether he or she is authorized to work in the United States. If BCIS confirms that the alien employee is authorized to work in the United States, it issues a confirmation number. If BCIS determines instead that the new employee is not authorized for employment in the United States, it issues a tentative nonconfirmation number. Procedures are

available to permit either the employer or the employee to contest a tentative nonconfirmation before it becomes final, at least allowing procedures of due process so that those who would insist that they are allowed to work here would have the opportunity to protest any denial and to be able to provide information to prove that they can work here in the United States.

The basic pilot is an effective employee verification program that makes it easier and safer for employers to hire foreign workers which makes it easier for lawful foreign workers to find employment.

Section 405 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 required the Attorney General to submit a report on the basic pilot to the House and Senate Judiciary Committees. The report was done by the Institute for Survey Research at Temple University. The Institute identified a substantial number of implementation problems. It concluded, among other things, that the basic pilot was a good program, but that it was not ready yet for larger-scale implementation. Consequently, I have concerns about a provision in S. 1685 which would expand the pilot program from its present size of being available in only six States to being available in all 50 States.

S. 1685 has a provision, however, which I believe addresses the problems that the Institute identified. This provision would require the Secretary of Homeland Security, prior to expanding the program, to submit a report to the House and Senate Judiciary Committees stating, one, the extent to which these problems have been resolved; and, two, describing what additional actions will be taken before expanding the program. This is a helpful addition, if you will, that counters the overexpansion to 50 States, which I believe we are not yet prepared for in terms of manpower hours at Homeland Security and, as well, technology to be able to address the overload that will occur. But it is an important issue to ensure that employers are, in fact, complying with the law and hiring those appropriately able to work in the United States.

S. 1685 also would extend the duration of an immigrant investor pilot program for 5 additional years. It is a little-used program, and I think we should do a lot to expand and promote this program because it is an investment program. This pilot program arose out of the basic immigrant investor EB–5 program. Ten thousand EB–5 visas are available each year, 5,000 of which are reserved for people who participate in the pilot program.

The requirements for participating in the pilot program are essentially the same as the requirements for participating in the EB–5 investor program, with some exceptions. An investor under the pilot program can qualify with an investment of less than $1 million, which is the requirement for the basic EB–5 program. The pilot program investor may satisfy the eligibility requirements with an investment of as little as $500,000 in a specified type of commercial enterprise that would be to promote economic growth, improve regional productivity, create new jobs or save existing ones, and increase domestic capital investment in certain definitively needy areas that would benefit from this investment. I would encourage the utilization of these visas as much as possible.

I am pleased that foreign investors are being encouraged to invest in regions of our country that need the stimulation of such enterprises. I think this is a worthwhile program that should be extended. I urge my colleagues to vote for this bill.

Might I also acknowledge the work of the Committee on the Judiciary, the House Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) who worked on this legislation and my chairman on the Subcommittee on Immigration, Border Security, and Claims, the gentleman from Indiana (Mr. HOSTETTLER), that efforts were waged to compromise on this legislation. I do still have concerns, but I believe that we have worked through a bill that is suited for the support of my colleagues.

Mr. Speaker, the Basic Pilot is a temporary, voluntary program for electronically verifying the employment authorization of newly hired employees. The bill, S. 1685, would extend the program for another 5 years.

The objective of employment verification is to ensure that American employers hire workers who are authorized to work in the United States. Under the Basic Pilot, the employer examines the documents of a newly hired employee and then transmits the pertinent information electronically to an office at the Social Security Administration (SSA). The SSA office compares the information with its records. In the case of a foreign worker, the SSA office will pass the information on to the Bureau of Citizenship and Immigration Services (BCIS).

The BCIS compares the alien's employment data with immigration records to determine whether he or she is authorized to work in the United States. If BCIS confirms that the alien employee is authorized to work in the United States, it issues a confirmation number. If BCIS determines instead that the new employee is not authorized for employment in the United States, it issues a tentative nonconfirmation number. Procedures are available to permit either the employer or the employee to contest a tentative nonconfirmation before it becomes final.

The Basic Pilot is an effective employee verification program that makes it easier and safer for employers to hire foreign workers, which makes it easier for lawful foreign workers to find employment.

Section 405 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) required the Attorney General to submit a report on the Basic Pilot to the House and Senate Judiciary Committees. The report was done by the Institute for Survey Research at Temple University. The institute identified a substantial number of implementation problems. It concluded, among other things, that the Basic Pilot was a good program but that it was not ready yet for larger scale implementation. Consequently, I have concerns about a provision in S. 1685 which would expand the pilot program from its present size of being available in only 6 States to being available in all 50 States.

S. 1685 has a provision, however, which addresses the problems that the institute identified. This provision would require the Secretary of Homeland Security, prior to expanding the program to submit a report to the House and Senate Judiciary Committees stating first, the extent to which these problems have been resolved; and second, describing what additional actions will be taken before expanding the program.

S. 1685 would extend the duration of an immigrant investor pilot program for 5 additional years. This pilot program arose out of the basic immigrant investor EB–5 program. Ten thousand EB–5 visas are available each year, 5,000 of which are reserved for people who participate in the pilot program.

The requirements for participating in the pilot program are essentially the same as the requirements for participating in the EB–5 investor program, with some exceptions. An investor under the pilot program can qualify with an investment of less than $1 million, which is the requirement for the basic EB–5 program. The pilot program investor may satisfy the eligibility requirements with an investment of as little as $500,000 in a specified type of commercial enterprise. The enterprise must promote economic growth, improve regional productivity, create new jobs or save existing ones, and increase domestic capital investment.

I am pleased that foreign investors are being encouraged to invest in regions of our country that need the stimulation of such enterprises. I think this is a worthwhile program that should be extended.

I urge you therefore to vote for this bill.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. HOSTETTLER), chairman of the Subcommittee on Immigration, Border Security, and Claims.

(Mr. HOSTETTLER asked and was given permission to revise and extend his remarks.)

Mr. HOSTETTLER. I thank the chairman for yielding me this time, and I think the ranking member of the subcommittee, the gentlewoman from Texas (Ms. JACKSON-LEE), for her work on this legislation as well.

Mr. Speaker, I want to emphasize two points. First, employers participating in the pilot program find it of immense help in the day-to-day operations of their businesses. And, second, the pilot is working extraordinarily well and will only get better in the future.

The report commissioned by the Immigration and Naturalization Service, or INS, to evaluate the program found that ''an overwhelming majority of employers participating found the basic pilot program to be an effective and reliable tool for employment verification.'' Participating employers

appreciate the pilot because it reduces uncertainty. The pilot ensures that their operations will not be disrupted by the mass dismissal of employees after the Department of Homeland Security or the Social Security Administration question the status of their employees. The pilot ensures that they will not be put in the position of hiring illegal aliens, investing hundreds of thousands of hours in training them and then losing the benefit of this investment years down the road when they are forced to dismiss these illegal employees.

As Paul Weyrich has said in his support of this bill, ''If we are really serious about enforcing the immigration laws we have on the books, then we must provide the means for employers to quickly determine the validity of the documents with which they are presented. The way the pilot program works is simple and reflects plain common sense.''

The report indicated that the pilot program could be improved in a few areas. Some employers had taken adverse actions against new employees tentatively found ineligible to work. And INS databases had to be improved, especially in the context of adding data for persons recently issued a work authorization document and for new immigrants and refugees. However, remember that the report evaluated operations of the pilot in the 1990s. Since that time, INS and now the Department of Homeland Security, or DHS, have been actively making any needed improvements. DHS believes that there has been ''an overwhelming improvement in the timeliness of data entry, particularly in response to the events of September 11.'' In fact, DHS now requires that all new data regarding immigrants be entered into the system within 3 days and all new information regarding temporary visitors be entered within 14 days.

As to employer responsibilities, DHS said that ''greater emphasis on pilot procedures has been added to training materials, and safeguards have been added to pilot software to increase compliance with required procedures. For instance, employers will be required to certify that they have talked with their employees and advised them of their rights if they cannot immediately be confirmed.'' Finally, DHS reports that the soon-to-be-implemented Internet-based version of the pilot will greatly reduce or eliminate any remaining problems.

S. 1685, the bill now under consideration, should ameliorate concerns about any lingering problems in the pilot program by delaying nationwide implementation until next December and requiring the Secretary of Homeland Security to issue a report by June evaluating whether the problems identified by the 2001 report have been substantially resolved and describing what actions he needs to take before December 2004 in order to resolve them.

Mr. Speaker, I urge my colleagues to vote for S. 1685.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me also note, I think, an important aspect of this bill, and, that is, a concern about the dissemination of information and violation of privacy that the initial bill exhibited. I am pleased to note that the Senate removed a provision that would give State and local governments access to the information collected with this program. That would have been the first step toward the dissemination or the idea, which I think is still highly debatable, of a national identity card. So, in fact, we have provided safeguard provisions to make this legislation work, to provide the information that is necessary to ensure the protection of the workplace, and also to provide due process rights for all who are involved.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CALVERT), the author of the House version of the bill.

Mr. CALVERT. Mr. Speaker, I rise in support of S. 1685, the Basic Pilot Program Extension and Expansion Act of 2003. The basic pilot employment verification system is the only automated system offered to employers to verify employment eligibility of new employees.

In 1994 I spoke with a Border Patrol agent who identified a key need in the enforcement of immigration laws. Employers need a simple way, a reliable tool to verify the worker status of new employees. In response, I introduced a bill to create the basic pilot program to do just that. Operating in six of the most problematic States on a voluntary basis, the basic pilot has proven to be an overwhelming success. The basic pilot program is the best tool available for employers to comply with immigration laws which prohibit hiring undocumented immigrants.

Recently, a contract cleaning service for Wal-Mart was raided by the Bureau of Immigration and Customs Enforcement and over 250 employees were arrested. If Wal-Mart's cleaning service had used the basic pilot program and verified the I–9 documents provided by their workers, this situation could have been avoided. We must provide companies the option of using this employment verification program and assist them in complying with Federal immigration law. This program is in no way mandatory. It is completely voluntary and may be used at the discretion of the employer. Without the option to use the basic pilot program, employers have no means of verifying legal work status for immigrants, causing many employers to discriminate against legal workers.

□ 1745

This program gives employers the confidence to hire legal immigrants, reducing discrimination in the workplace. Additionally, S. 1685 allows employers from any State to voluntarily use this program. Many of my colleagues have expressed concerns that this will expand the program too far too fast. The reality is that current pilot States are home to over 80 percent of all illegal immigrants, which means the impact on the program will be negligible. The bill also requires the Department of Homeland Security to complete a report identifying and resolving any problems with the program and the expansion.

After 7 successful years, it is time to give all employers the option of verifying their workforce and avoiding entanglements with the Immigration and Customs Enforcement.

I would like to thank Senator GRASSLEY for sponsoring S. 1685, the Senate counterpart to my bill, and encourage my colleagues to vote for a bill that promotes compliance with Federal law.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. BERMAN), member of the Subcommittee on Immigration, Border Security, and Claims, who has worked long years in bringing us a consistent and effective immigration policy for this country.

Mr. BERMAN. Mr. Speaker, I thank the gentlewoman for her kind comments.

I rise in support of the proposal. I opposed the House bill that went through in part because I had concerns about what was in section 3 of the bill allowing data to be shared with State and local governments. That is no longer in the bill that has come over from the Senate. The expansion of the program is conditioned on some additional studies to make sure it is working right, and the fundamental principle is a legitimate principle. Employers who want to do the right thing should be able to access accurate information about status given the state of the Federal law at this time on who they should and should not hire.

So I always supported the principle of the pilot program. We just want to make sure it provides accurate information about the employee so that people who are eligible to work are not denied employment as a result of utilizing that system, and I congratulate the majority and the minority for pushing what I think is a more reasonable approach through.

Mr. SENSENBRENNER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Mr. Speaker, I thank the chairman of the Committee on the Judiciary for yielding me this time.

Mr. Speaker, the basic pilot program was originally authorized in the 1996 Immigration Act. It allows employers in six States to verify the validity of the Social Security numbers of new hires. S. 1685 reauthorizes this program and expands it to allow employers in all 50 States to voluntarily participate in the basic pilot program.

The program offers employers the opportunity to ensure that individuals they hire are eligible to work in the United States.

Illegal immigrants drive down wages and take jobs from American workers. Recent studies show immigration has depressed the wages of American workers in similar jobs by more than $2,500 per year. Ninety percent of the American people believe that we should reduce illegal immigration, and 79 percent feel that the Federal Government should require employers to verify the work status of potential employees. The main attraction for the 10 to 20 million illegal aliens who have crossed our borders is work. If we want to reduce the incentive for illegal immigration and its negative impacts, we must reduce the availability of jobs for illegal immigrants.

This program reduces illegal immigration because it allows employers to make sure they are only hiring someone who is eligible to work in the United States.

Everyone who is concerned about lost jobs and unemployment should support the expansion of the basic pilot program. If we are serious about saving jobs for citizens and legal immigrants, we should pass S. 1685.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

First of all, let me again acknowledge my colleagues on the Subcommittee on Immigration, Border Security, and Claims and the full Committee on the Judiciary; but I always want to acknowledge the staff, both majority and minority, for working through this legislation.

I would simply say that we have realized that we have this dilemma between the need for American workers to have jobs, particularly in this economy, and juxtaposing it against the numbers of immigrants who have come to this country for opportunity, in many instances economic opportunity. I hope that, as we look at this legislation, we will be reminded of the fact that we do need to establish a real immigration policy for this Nation.

The basic pilot legislation helps us to avoid what I think is the ugliest part of this conflict with illegal immigration, and that is racial stereotyping and stigmatizing of those who happen to come from a background that would ordinarily suggest that they are not here with legal status. By being able to find out real information through the BCIS and the Social Security Administration, employers can be safe and secure in those that they might hire.

At the same time I think that this body owes it to the establishment of a real immigration policy along with the administration that we should pass 245(i) and begin to look at ways to address the question of 8 million undocumented aliens by earning access to legalization, by passing legislation that allows those who have come here to work to earn their way to citizenship first by way of being in this country for 5 years without a criminal background, paying taxes, and working, finding a way for them to route themselves to real citizenship.

Might I say in conclusion that as we organize a Homeland Security Department, and the Committee on the Judiciary worked very hard to establish aspects of the immigration provisions, to the credit of the Committee on the Judiciary, that particular section was called the Bureau of Citizenship, I believe, and Immigration Services. That is an important step, that we want people to be able to legally access citizenship, those who have come here to work and come here to do what is good for this country to be able to access citizenship even if their first entry might have been in an illegal status.

This legislation clearly is needed today, but we do need a forceful immigration policy. With that I ask my colleagues to vote for this legislation.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the only way we are going to get a handle on the illegal immigration problem of this country is by giving employers the means to verify whether an applicant for employment is legally able to work here and then to enforce the 1986 law which makes it illegal for an employer to hire an illegal alien. If we do not do both, then it will be always cheaper for an employer to break the law by hiring an illegal alien because they do not have to pay them the minimum wage, they do not have to have workplace safety and environmental standards. In many cases they are paid in cash; and the deductions for Social Security and Federal and State income tax withholding are not taken out, all of which is illegal, but there still is a huge economic incentive for an employer to break the law multiple times by hiring an illegal alien.

This bill is an important part of closing a part of that loop, by giving employers nationwide the tools to find out if the person who is asking for a job is legal and a better way of being able to determine whether the documents that the applicant presents are genuine documents or counterfeit documents.

So we have done a part of making our immigration laws more effective by passing this legislation, but the other part indeed deals with enforcement because without enforcement of the immigration law, the problem that we thought we solved with the amnesty that was granted in 1986 will continue whether or not there is another amnesty that is granted by the Congress, which is a move that I personally oppose. So with that, I urge the Members to support this bill.

Mr. OSBORNE. Mr. Speaker, as an original cosponsor of similar House legislation, I encourage my colleagues to support S. 1685, the Basic Pilot Extension Act of 2003. This important legislation would extend for five years the Basic Pilot Verification Program, which is a voluntary program that employers use in conjunction with the Bureau of Immigration and Citizenship Services (BCIS) and the Social Security Administration (SSA) to confirm employment eligibility in my home state of Nebraska, among others. This pilot, which started in November 1997, involves verification checks of the SSA and the BCIS databases of all newly hired employees regardless of citizenship. Unfortunately, the Basic Pilot program is scheduled to terminate on November 30th of this year.

The agricultural economy of Nebraska's Third District relies heavily on immigrant labor. Employers across my district have told me that they want to comply with the Immigration Reform and Control Act of 1986, which made it unlawful for employers to knowingly hire or employ aliens not eligible to work, and required employers to verify documents of new workers. However, a simple visual check of these documents by employers will not tell them if these are in fact counterfeit documents, and that this potential new hire is in fact an illegal alien.

I have heard from many business people in the Third District about their need for the Basic Pilot program. Employers need the appropriate tools to ensure that they are indeed hiring eligible workers, and S. 1685 would allow employers in all states to opt to participate in the program. By checking the new hire's documents against the BCIS and SSA databases, the Basic Pilot program allows employers to feel more confident about their new hire.

I thank my colleague, Representative CALVERT, for his hard work on this issue in the House and I urge my colleagues to support S. 1685.

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

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the Senate bill, S. 1685.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR FEDERAL COURT PROCEEDINGS IN PLANO, TEXAS

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1720) to provide for Federal court proceedings in Plano, Texas.

The Clerk read as follows:

S. 1720

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

SECTION 1. CHANGE IN COMPOSITION OF DIVISIONS OF EASTERN DISTRICT OF TEXAS.

(a) IN GENERAL.—Section 124(c) of title 28, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking ''Denton, and Grayson'' and inserting ''Delta, Denton, Fannin, Grayson, Hopkins, and Lamar''; and

(B) by inserting ''and Plano'' after ''held at Sherman'';

(2) by striking paragraph (4) and redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively; and

(3) in paragraph (5), as so redesignated, by inserting ''Red River,'' after ''Franklin,''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PENDING CASES NOT AFFECTED.—This section and the amendments made by this section shall not affect any action commenced before the effective date of this section and pending in the United States District Court for the Eastern District of Texas on such date.

(3) JURIES NOT AFFECTED.—This section and the amendments made by this section shall not affect the composition, or preclude the service, of any grand or petit jury summoned, impaneled, or actually serving in the Eastern Judicial District of Texas on the effective date of this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from California (Mr. BERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1720, the Senate bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Today when I was driving in, I followed a car that had a big bumper sticker on it that said ''Don't Mess with Texas,'' and I came to the House today with great fear and trepidation that by messing with Texas and deciding where the Federal courts will sit, I would be caught in the crossfire of a Texas cat fight, and I am happy to report that the cats are purring and the Members can mess with Texas and not get in trouble by passing this bill.

Senate 1720 implements the March, 1991, Judicial Conference proposal to designate Plano, Texas, as a place for holding court in the Eastern District of Texas. It also realigns the divisions of the U.S. District Court for the Eastern District of Texas to reflect the closing of the courthouse in Denton County. The Paris division is eliminated and its counties redistributed among the other divisions of this court.

Plano is the largest city in the Eastern District of Texas. Of the 93 judicial districts in the United States, the Eastern District of Texas is the only one in which its largest city cannot hold Federal court.

This is a major impediment to the efficient operations of the Federal court system in the Eastern District of Texas. Senate 1720 will greatly assist the affected citizens, litigants, lawyers, and judges and also will promote the efficient administration of justice.

The bill is identical to language in section 102 of H.R. 1302, the Federal Courts Improvement Act of 2003, which was introduced by the chairman and ranking member of the Subcommittee on Courts, the Internet, and Intellectual Property. In addition, this Congress has passed this exact language on five previous occasions since 1991.

Following Senate passage of Senate 1720, the gentleman from Texas (Mr. HALL) expressed concern that the legislation does not ensure that the eastern district caseload will be distributed equally between Plano and Sherman. While the judges of the eastern district have unanimously agreed to split the docket between Sherman and Plano, this agreement, in a signed resolution, is nonbinding.

I share the concerns of the gentleman from Texas (Mr. HALL). Therefore, I support Senate 1720 premised on the understanding that the judges of the eastern district will do as they promised by implementing a system to assign at least 50 percent of the cases filed in or transferred to the Sherman district to a resident district judge sitting in the city of Sherman. The remaining 50 percent of the cases will be assigned to the Plano court.

Finally, in response to my request for assurance that the judges' agreement will be implemented, the Administrative Office of the U.S. Courts has written a letter promising to do whatever is necessary to implement this plan. I will insert this letter along with the resolution signed by the judges of the Eastern District of Texas into the RECORD. With these assurances, I am sure that we can mess with Texas and not get caught in the crossfire.

I urge my colleagues to support this bill.

JUDICIAL CONFERENCE
OF THE UNITED STATES,
Washington, DC, November 19, 2003.

Hon. F. JAMES SENSENBRENNER, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I understand that S. 1720, a bill to designate Plano, Texas, will be considered by the House later today. The bill would remedy a serious problem hindering efficient judicial administration in the Eastern District of Texas.

This bill has the strong support of the Judicial Conference of the United States. As a provision of an omnibus court improvement bill, it has been passed by the House in two previous Congresses, only to remain unacted upon in the Senate.

The judges of the Eastern District of Texas have formally resolved that half of the Sherman Division caseload will be docketed and tried in Sherman, Texas, and half will be docketed and tried in Plano, Texas. A copy of an order of the court of June 13, 2003, stating this specifically and in some detail is enclosed hereto.

The Judicial Conference and the court in the Eastern District of Texas are well aware of the concerns of those in Sherman that the judicial business of the division would be largely transferred to Plano. This is not and will not be the case. This issue was considered by the Judicial Conference Committee on Court Administration and Case Management when the proposal was first considered. The resolve of the judges to assure equity to Sherman, Texas, and other factors relating to the great need for a court presence in Plano caused that committee to recommend that the Judicial Conference approve this proposal, which it did.

I congratulate you and the members of the Judiciary Committee for taking prompt action on this bill which will allow the court to better service the citizens of this region of Texas.

Sincerely,

LEONIDAS RALPH MECHAM,
Secretary.

Enclosure.

GENERAL ORDER NO. 03–15

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS

RESOLUTION REGARDING PLACES OF HOLDING COURT IN THE SHERMAN DIVISION

Since 1991, both this court and the Judicial Conference of the United States have supported legislation authorizing Plano as a place of holding court in the Sherman Division. Rapid population growth in the Sherman Division over the past decade, particularly in Collin and Denton Counties, underscores the need for an additional court facility. Sherman Division civil and criminal weighted filings over the past five years have grown by 100%. Sherman now has the second heaviest weighted caseload of the six divisions in the Eastern District of Texas.

In the near future, two resident district judges, a resident magistrate judge and a visiting district judge will be hearing all Sherman Division cases in only two courtrooms. The court has already run out of room in Sherman and needs to acquire additional court facilities in the Division. Having court facilities in both Sherman and Plano will enable the court to better manage the rapidly growing caseload and provide better service to a large population base in southern Collin County.

It is the court's intention, when a place of holding court in Plano is authorized, to assign the case filings as follows:

50% civil and criminal cases docketed and tried in Sherman (Judges Brown and Davis).

50% civil and criminal cases docketed and tried in Plano (Judge Schell).

In light of the above, the judges of this court hereby REAFFIRM our prior resolution to establish Plano as a place of holding court in the Sherman Division, and RESOLVE, if pending legislation passes that authorizes Plano as a place of holding court, to have half the Sherman Division caseload docketed and tried in Sherman, and the other half of the caseload docketed and tried in Plano. If Judge Brown ceases holding court in Sherman, a new resident judge shall be designated to hold court in Sherman as soon as possible, and pending the new judge's residing in Sherman, 50% of civil and criminal cases shall be docketed and tried in Sherman, and the clerk's office in Sherman shall remain staffed sufficiently to support a resident judge.

Signed this 13th day of June, 2003.

For the Court:

John Hannah, Jr.,
Chief Judge.

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

□ 1800

Mr. BERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1720 and I ask my colleagues to support the bill as well. It is a narrow bill, but a necessary one. It is identical to the provisions of the Federal Courts Improvement Act currently before the Committee on the Judiciary, and to legislation which has I think several times passed the House.

The purpose of the bill is to allow for Federal court proceedings and an additional courthouse in Plano, Texas. As a result, the bill will remedy a critical problem hindering the efficient judicial administration of the U.S. District Court for the Eastern District of Texas.

The existing courthouse is in Sherman, Texas and is overburdened by its increasing caseload. Filings over the past 5 years have grown by 100 percent. This situation mandates a solution. S. 1720 designates Plano as an additional place of holding court to help address this expanded workload.

The one substantive concern about the bill, how cases will be distributed between the two courthouses, has been resolved. As I understand it, the chairman of the Committee on the Judiciary has agreed to engage in a colloquy with the distinguished gentleman from Texas in which it will become clear that S. 1720 is intended to relieve the overflow of filings in the Sherman courthouse, but not do away with the Sherman courthouse. I think the chairman has already made that clear, that that is his intention.

Furthermore, there is agreement from the Senate sponsor, the junior Senator from Texas, that the civil and criminal case filings for the Sherman division will be split 50–50 between the Plano and Sherman courthouses. The U.S. District Court for the Eastern District of Texas has adopted a resolution memorializing this agreement, and the Judicial Conference of the United States has sent a letter to the same effect. Finally, the Committee on the Judiciary Report on the Federal Courts Improvement Act, which currently contains identical provisions, will reflect this understanding. Through these measures, we can rest assured that the addition of this courthouse will have no negative impact on the Sherman courthouse.

I appreciate the efforts that my colleagues have made to address the concerns of those in Sherman, and I am confident that there is general agreement that the judicial business of the Sherman and Plano divisions will be shared equally.

Mr. Speaker, I ask my colleagues to support S. 1720.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON).

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, I appreciate the gentleman yielding me this time. I just want to thank the gentleman from Texas (Mr. HALL) and the gentleman from California (Mr. BERMAN) for working with us.

This is a bipartisan agreement. I will let my colleagues know that Collin County is expected to increase by 73 percent in population by the year 2020, so this is a needed court and long overdue.

Mr. Speaker, you know, the role of the Federal Government is to serve people. And one way the government serves the people is through the judicial system.

Well, the people of Plano, nearly 250,000 strong and the largest city in Collin County, do not have access to a nearby Federal court. Simply put, today's bill is good legislation that is long overdue. Anytime a lawyer wants to file a court paper, they have to drive 48 miles to near the Oklahoma border to Sherman, TX. Anytime a police officer needs to sign a legal document, they have to drive nearly 100 miles round trip. That is not time well spent.

If the role of the Federal Government is to serve the people, then it's time to let Collin County hold court. You know, Plano consumes more than three-fourths of the criminal cases in Sherman and nearly 4 out of 5 civil cases. Clearly there is a need in Plano for a Federal bench. The people of Collin County and the Eastern District of Texas are woefully underserved.

On the top of that, the population of Collin County is expected to increase by 73 percent by the year 2020. If we don't take care of this now, when will we?

With four judges but just two courtrooms, the Sherman division badly needs another courtroom somewhere. That somewhere should be the city of Plano. Important to the city of Sherman, the bill also protects the Grayson County Courthouse Docket by expanding the Sherman Court jurisdiction to four new counties; Fannin, Lamar, Delta, and Hopkins.

I also want to thank my friend Ralph Hall for his work on this issue. I hope he believes we addressed many of his initial concerns.

Before I close, I'd like to thank my colleagues in the Senate, Senators CORNYN and HUTCHISON, who helped get this bill through the other body.

This measure has passed the House every Congress since 1991, only to die in committee in the Senate. Their leadership paved the way to make this possible for Collin County.

In the name of good government, the Federal Government started serving the people of Collin County.

GENERAL ORDER NO. 03–15

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS

RESOLUTION REGARDING PLACES OF HOLDING COURT IN THE SHERMAN DIVISION

Since 1991, both this court and the Judicial Conference of the United States have supported legislation authorizing Plano as a place of holding court in the Sherman Division. Rapid population growth in the Sherman Division over the past decade, particularly in Collin and Denton Counties, underscores the need for an additional court facility. Sherman Division civil and criminal weighted filings over the past five years have grown by 100%. Sherman now has the second heaviest weighted caseload of the six divisions in the Eastern District of Texas.

In the near future, two resident district judges, a resident magistrate judge and a visiting district judge will be hearing all Sherman Division cases in only two courtrooms. The court has already run out of room in Sherman and needs to acquire additional court facilities in the Division. Having court facilities in both Sherman and Plano will enable the court to better manage the rapidly growing caseload and provide better service to a large population base in southern Collin County.

It is the court's intention, when a place of holding court in Plano is authorized, to assign the case filings as follows:

50% civil and criminal cases docketed and tried in Sherman (Judges Brown and Davis)

50% civil and criminal cases docketed and tried in Plano (Judge Schell)

In light of the above, the judges of this court hereby REAFFIRM our prior resolution to establish Plano as a place of holding court in the Sherman Division, and RESOLVE, if pending legislation passes that authorizes Plano as a place of holding court, to have half the Sherman Division caseload docketed and tried in Sherman, and the other half of the caseload docketed and tried in Plano. The court intends to maintain at least one resident judge in Sherman and one resident judge in Plano. If Judge Brown ceases holding court in Sherman, a new resident judge shall be designated to hold court in Sherman as soon as possible, and pending the new judge's residing in Sherman, 50% of civil and criminal cases shall be docketed and tried in Sherman, and the clerk's office in Sherman shall remain staffed sufficiently to support a resident judge.

Signed this 13th day of June, 2003.

For the Court:

John Hannah, Jr.
Chief Judge.

Mr. BERMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HALL).

Mr. HALL. Mr. Speaker, when I arrived at the Capitol today, I was handed the floor schedule that indicated that Senate bill 1720 had been placed on the Suspension Calendar. We have not had a lot of time to try to work out the details, but I am grateful to a lot of people for their assurance that we are going to keep the agreement that has been made between the two courts.

First, I want to thank, of course, the gentleman from Wisconsin (Chairman SENSENBRENNER), Debby Lehman, Sam Garg, Blain Merritt, and Phil Kiko for their good work and for their support. I thank the ranking member, the gentleman from Michigan (Mr. CONYERS), of the Committee on the Judiciary and Perry Applebaum. I thank the gentleman from California (Mr. BERMAN), my friend and ranking member on the subcommittee, and Shanna Winters and Alec French. They have all worked hard during the course of the day to work out assurance, and with the gentleman from Texas's (Mr. JOHNSON) support of assurance that this will be a 50–50 division.

I have never opposed Plano having a court. It is a huge city. It is a great city. It is a growing city. And as we move along with this 50–50 agreement and Plano grows, as it surely will, they will need more judges and more courts there. I certainly hope to help them.

For several years, efforts have been made to hold court proceedings in Plano, Texas where they have had no

court proceedings. I have no objection to such, and I only want to continue holding court in Sherman, Texas. Agreements have been made to hold 50 percent of the cases in Plano and 50 percent in Sherman, adding some counties to the Sherman district. I only want this agreement to be part of the proceedings, and I will be asking for a colloquy in a little bit with the gentleman from Wisconsin (Chairman SENSENBRENNER). I have conferred with Judge McGraw of Grayson County. I have received petitions from Judge McGraw and many of the major cities in and around Grayson County. I represent them. If I do not represent them, they will not be represented in this matter, and I want to be recorded here and now that we want an agreement of a 50–50 division of litigation to be committed to writing, both here and in the Senate.

I have spoken with Senator JOHN CORNYN then of the Committee on the Judiciary, and I have spoken with Senator KAY BAILEY HUTCHISON, subcommittee chairman, and they too want this documentation. There has been a difference of opinion as to whether or not it would be codified into the statute itself, and while this will not have that codification, there will be report language that will be with this bill, and I think will be evidence to people within the next 10, 15, 20, 30, 40 years that we still want a court in Sherman, Texas in Grayson County.

Senator KAY BAILEY HUTCHISON and JOHN CORNYN want Grayson County protected on the 50–50 agreement and, accordingly, they are placing proper report language in the Senate Committee on the Judiciary report to be placed with the passage of Senate bill 1720.

So Mr. Speaker, first, let me place in the RECORD the statement of the gentleman from Michigan (Mr. CONYERS), the ranking member on the Committee on the Judiciary.

I also want to engage in a colloquy with my colleague, the gentleman from Wisconsin (Chairman SENSENBRENNER). I again thank the chairman on S. 1720, a bill to provide for the Federal court proceedings in Plano, Texas.

It is my understanding that we have reached an agreement with Members on both sides of the aisle and with Senators CORNYN and HUTCHISON that the passage of this legislation shall be accompanied by the following report language in the Commerce, Justice, State Appropriations bill that would indicate a sense of Congress as follows: ''Both Sherman and Plano shall have a resident United States District Judge. Fifty percent of the cases filed in or transferred to the Sherman Division of the United States District Court for the Eastern District of Texas shall be assigned for trial and tried in Sherman by either the resident United States District Judge sitting in Sherman or another United States District Judge assigned to hold court in Sherman. The remaining 50 percent of the cases shall be assigned for trial and tried in Plano by either the resident United States District Judge sitting in Plano or another United States District Judge assigned to hold court in Plano. If the resident judge in Sherman or Plano retires or dies, 50 percent of the cases shall continue to be tried in Sherman and 50 percent tried in Plano while a new resident judge is being assigned. This provision shall not prevent the transfer of a case to another judge or division of the United States District Court for the Eastern District of Texas or another United States District Court for trial, if such transfer is permitted by applicable law.''

Mr. Speaker, I have long expressed my support and I have no objection to a Plano district court. The people in Plano are entitled to a court and, likewise, the people of Sherman are entitled to an assurance that an addition of a Plano court will not diminish or otherwise imperil the court in Sherman. The folks in Plano are happy with the gentleman from Texas (Mr. SAM JOHNSON), and they should be. I want the people in Grayson County to be happy with this transaction also. I think this report language gives clarity to this amendment and would ensure the viability of both courts for the next 50 years.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, the Committee on the Judiciary has no control over report language of bills that are under the jurisdiction of the Committee on Appropriations, and since the thought has been to have this statutory amendment placed in the Commerce, Justice, State Appropriation bill, I can say that the Committee on the Judiciary would have no objection to this, because this codifies the agreement that has been made and the resolution that has been adopted by the judges of the Eastern District of Texas, as well as confirmed by the Administrative Office of the U.S. Courts representing the Judicial Conference of the United States.

So I have no objection to this statutory amendment if it should find its way into an appropriation bill. But the gentleman from Texas and everybody else knows full well that what happens in appropriation bills at the end of a session of Congress is a very mysterious thing that those of us who serve on authorizing committees will never understand as long as we are here.

But rest assured that what the gentleman from Texas has said does represent the understanding of members of the Committee on the Judiciary, and if the appropriators will listen to us, for once, they will be able to make a constructive addition to an appropriation bill, whether it is the State, Justice, Commerce one or another one that mysteriously arises from the bowels of the Capitol within the next few days.

Mr. HALL. Mr. Speaker, reclaiming my time, we have Senator CORNYN and Senator HUTCHISON who will place this in the report language in the Senate judiciary bill.

Mr. CONYERS. Mr. Speaker, I rise in support of this legislation, which would provide greater access to Federal courts for litigants in various counties in Texas. One provision of the bill adds the city of Plano as a place of holding court; current residents of Plano must travel to the city of Sherman. It is my understanding that, with respect to the courthouses in Plano and Sherman, the courts will ensure that the civil and criminal dockets will be divided equally.

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

Mr. SENSENBRENNER. Mr. Speaker, I am happy to yield back the balance of my time as well.

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the Senate bill, S. 1720.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

ENVIRONMENTAL POLICY AND CONFLICT RESOLUTION ADVANCEMENT ACT OF 2003

Mr. GREENWOOD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 421) to reauthorize the United States Institute for Environmental Conflict Resolution, and for other purposes.

The Clerk read as follows:

H.R. 421

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 ''Environmental Policy and Conflict Resolution Advancement Act of 2003''.

SEC. 2. ENVIRONMENTAL DISPUTE RESOLUTION FUND.

Section 13 of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5609) is amended by striking subsection (b) and inserting the following:

''(b) ENVIRONMENTAL DISPUTE RESOLUTION FUND.—There is authorized to be appropriated to the Environmental Dispute Resolution Fund established by section 10 $4,000,000 for each of fiscal years 2004 through 2008, of which—

''(1) $3,000,000 shall be used to pay operations costs (including not more than $1,000 for official reception and representation expenses); and

''(2) $1,000,000 shall be used for grants or other appropriate arrangements to pay the costs of services provided in a neutral manner relating to, and to support the participation of non-Federal entities (such as State and local governments, tribal governments, nongovernmental organizations, and individuals) in, environmental conflict resolution proceedings involving Federal agencies.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Pennsylvania (Mr. GREENWOOD) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GREENWOOD).

GENERAL LEAVE

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 421.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREENWOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased that we are here today to consider H.R. 421, the Environmental Policy and Conflict Resolution Advancement Act of 2003. H.R. 421 amends the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Policy Act of 1992 to reauthorize the Environmental Dispute Resolution Fund.

Specifically, the bill authorizes the fund at $4 million and extends it through fiscal year 2008. The bill also stipulates how the funding is to be distributed: $3 million to pay for the operating costs of the Institute for Environmental Conflict Resolution, and $1 million for grants to encourage participation of non-Federal entities in Federal environmental disputes.

In 1998 the Institute for Environmental Conflict Resolution was established as part of the National Environmental Foundation. The Foundation administers the Environmental Dispute Resolution Fund. The institute was created to assist in the resolution of Federal environmental, natural resources, and public lands conflicts and controversies through facilitated negotiation, mediation, and collaborative problem-solving. The Environmental Dispute Resolution Fund is maintained separately from the Udall Trust Fund and provides the financial support for the operation of the institute.

I want to thank my distinguished colleague, the gentleman from Arizona (Mr. KOLBE), for introducing this legislation and for ensuring that it was brought before us today. I want also to urge my colleagues to join me in support of H.R. 421, the Environmental Policy and Conflict Resolution Advancement Act of 2003.

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

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. Mr. Speaker, I rise in strong support of this bill which was introduced by our colleague and my good friend, the gentleman from Arizona (Mr. KOLBE). As a cosponsor of the bill, I want to thank the Committee on Resources chairman, the gentleman from California (Mr. POMBO) and the ranking member, the gentleman from West Virginia (Mr. RAHALL), as well as the Committee on Education and the Workforce chairman, the gentleman from Ohio (Mr. BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER), for making it possible for the House to consider the bill today.

As my colleague, the gentleman from Pennsylvania (Mr. GREENWOOD) has explained, the bill would reauthorize the United States Institute for Environmental Conflict Resolution. The institute is part of the Morris K. Udall Foundation, which is located at the University of Arizona in Tucson. Its purpose is to provide mediation and facilitation to help resolve environmental conflicts.

□ 1815

The bill would authorize appropriation of $4 million annually for the institute's work in fiscal years 2004 through 2008. The institute's projects involve a wide range of environmental natural resource and public lands issues. It provides impartial, nonpartisan expertise and services to all parties involved, and works with private individuals and organizations as well as with Federal, State, local agencies and Indian tribes.

Over the past 5 years, it has had requests for assistance in more than 100 cases across 30 States. And there is every indication that the number of requests will increase in the years ahead.

In short, Mr. Speaker, this is a noncontroversial bill that will reauthorize an important program that aims at resolving conflicts and reducing the need for litigation. I urge its approval.

Again, I want to thank the leaders of the Committee on Resources and the Committee on Education and the Workforce for bringing this important bill forward.

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

Mr. GREENWOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. KOLBE), the author of the legislation.

Mr. KOLBE. Mr. Speaker, I want to thank the gentleman from Pennsylvania (Mr. GREENWOOD) for managing this bill on the floor this afternoon and the Committee on Education and the Workforce for bringing this bill forward, also the Committee on Resources represented today by the gentleman from Colorado (Mr. UDALL) on the minority side. Both have worked to bring this bill to the floor, and I thank them for the support they have given to this.

I do rise in support of H.R. 421, Environmental Policy and Conflict Resolution Advancement Act of 2003. The bill has been explained by both the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentleman from Colorado (Mr. UDALL); and I will not go into more detail except to say that, of course, it does reauthorize for a period of years and provides funding for that same period of years for the U.S. Institute for Environmental Conflict Resolution, which is part of the Morris K. Udall Foundation.

As we all know, Morris Udall was a beloved Member of this body for many years and devoted much of his life to natural resources and to environmental issues and to environmental conflict resolution. So I can think of nothing more appropriate than this organization and this institute which works to resolve these conflicts to have it named after Morris Udall.

The institute has been around since 1998 as an impartial, nonpartisan institution which provides professional expertise and services and resources to parties that are involved in environmental disputes. It assists in resolving those environmental and natural resources issues, public lands conflicts that involve the Federal Government and other governmental agencies. And it deals with conflicts on a nationwide basis.

In 5 years of operation the institute has been involved in more than 300 conflict resolution cases and projects. The gentleman from Colorado (Mr. UDALL) referred to 100; but on an informal basis, they have been involved in at least a couple hundred more other than that. It does, as we have already heard, authorize $4 million, $1 million of which would be for a participation fund which would assist the stakeholders, communities' agricultural interests, resources users, tribes that are involved in environmental disputes with the Federal Government. And it would help them participate in alternative conflict resolution processes. The funds are intended to continue general services and provide assistance to the Federal and State agencies and tribal governments.

Mr. Speaker, this institute has already more than paid for itself. Literally countless numbers of disputes have been resolved in a way that have saved taxpayers millions of dollars by resolving them quickly and resolving them in a way that avoided litigation. The institute does work, and the reason it can do the work that it does is because its work is accepted by both sides, by all sides. It works in a nonpartisan fashion. If works in a fashion which brings the sides together to resolve the dispute. It is a model for what we should be using to resolve environmental disputes.

Mr. Speaker, I urge the passage of this important piece of legislation.

Mr. UDALL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from Pennsylvania (Mr. GREENWOOD) that

the House suspend the rules and pass the bill, H.R. 421.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FLORIDA NATIONAL FOREST LAND MANAGEMENT ACT OF 2003

Mr. PUTNAM. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 117) to authorize the Secretary of Agriculture to sell or exchange certain land in the State of Florida, and for other purposes.

The Clerk read as follows:

S. 117

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 ''Florida National Forest Land Management Act of 2003''.

SEC. 2. DEFINITIONS.

In this Act:

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

(2) STATE.—The term ''State'' means the State of Florida.

SEC. 3. SALE OR EXCHANGE OF LAND.

(a) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary may prescribe, sell or exchange any right, title, and interest of the United States in and to the parcels of Federal land in the State described in subsection (b).

(b) DESCRIPTION OF LAND.—The parcels of Federal land in the State referred to in subsection (a) consist of—

(1) tract A–942a, East Bay, Santa Rosa County, consisting of approximately 61 acres, and more particularly described as T. 1 S., R. 27 W., sec. 31, W½ of SW¼;

(2) tract A–942b, East Bay, Santa Rosa County, consisting of approximately 40 acres, and more particularly described as T. 1 S., R. 27 W., sec. 38;

(3) tract A–942c, Ft. Walton, Okaloosa County, located southeast of the intersection of and adjacent to State Road 86 and Mooney Road, consisting of approximately 0.59 acres, and more particularly described as T. 1 S., R. 24 W., sec. 26;

(4) tract A–942d, located southeast of Crestview, Okaloosa County, consisting of approximately 79.90 acres, and more particularly described as T. 2 N., R. 23 W., sec. 2, NW¼ NE¼ and NE¼ NW¼;

(5) tract A–943, Okaloosa County Fairgrounds, Ft. Walton, Okaloosa County, consisting of approximately 30.14 acres, and more particularly described as T. 1 S., R. 24 W., sec. 26, S½;

(6) tract A–944, City Ball Park—Ft. Walton, Okaloosa County, consisting of approximately 12.43 acres, and more particularly described as T. 1 S., R. 24 W., sec. 26, S½;

(7) tract A–945, Landfill-Golf Course Driving Range, located southeast of Crestview, Okaloosa County, consisting of approximately 40.85 acres, and more particularly described as T. 2 N., R. 23 W., sec. 4, NW¼ NE¼;

(8) tract A–959, 2 vacant lots on the north side of Micheaux Road in Bristol, Liberty County, consisting of approximately 0.5 acres, and more particularly described as T. 1 S., R. 7 W., sec. 6;

(9) tract C–3m–d, located southwest of Astor in Lake County, consisting of approximately 15.0 acres, and more particularly described as T. 15 S., R. 28 E., sec. 37;

(10) tract C–691, Lake County, consisting of the subsurface rights to approximately 40.76 acres of land, and more particularly described as T. 17 S., R. 29 E., sec. 25, SE¼ NW¼;

(11) tract C–2208b, Lake County, consisting of approximately 39.99 acres, and more particularly described as T. 17 S., R. 28 E., sec. 28, NW¼ SE¼;

(12) tract C–2209, Lake County, consisting of approximately 127.2 acres, as depicted on the map, and more particularly described as T. 17 S., R. 28 E., sec. 21, NE¼ SW¼, SE¼ NW¼, and SE¼ NE¼;

(13) tract C–2209b, Lake County, consisting of approximately 39.41 acres, and more particularly described as T. 17 S., R. 29 E., sec. 32, NE¼ SE¼;

(14) tract C–2209c, Lake County, consisting of approximately 40.09 acres, and more particularly described as T. 18 S., R. 28 E., sec. 14, SE¼ SW¼;

(15) tract C–2209d, Lake County, consisting of approximately 79.58 acres, and more particularly described as T. 18 S., R. 29 E., sec. 5, SE¼ NW¼, NE¼ SW¼;

(16) tract C–2210, government lot 1, 20 recreational residential lots, and adjacent land on Lake Kerr, Marion County, consisting of approximately 30 acres, and more particularly described as T. 13 S., R. 25 E., sec. 22;

(17) tract C–2213, located in the F.M. Arrendondo grant, East of Ocala, Marion County, and including a portion of the land located east of the western right-of-way of State Highway 19, consisting of approximately 15.0 acres, and more particularly described as T. 14 and 15 S., R. 26 E., sec. 36, 38, and 40; and

(18) all improvements on the parcels described in paragraphs (1) through (17).

(c) LEGAL DESCRIPTION MODIFICATION.—The Secretary may, for the purposes of soliciting offers for the sale or exchange of land under subsection (d), modify the descriptions of land specified in subsection (b) based on—

(1) a survey; or

(2) a determination by the Secretary that the modification would be in the best interest of the public.

(d) SOLICITATIONS OF OFFERS.—

(1) IN GENERAL.—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may solicit offers for the sale or exchange of land described in subsection (b).

(2) REJECTION OF OFFERS.—The Secretary may reject any offer received under this section if the Secretary determines that the offer—

(A) is not adequate; or

(B) is not in the public interest.

(e) METHODS OF SALE.—The Secretary may sell the land described in subsection (b) at public or private sale (including at auction), in accordance with any terms, conditions, and procedures that the Secretary determines to be appropriate.

(f) BROKERS.—In any sale or exchange of land described in subsection (b), the Secretary may—

(1) use a real estate broker; and

(2) pay the real estate broker a commission in an amount that is comparable to the amounts of commission generally paid for real estate transactions in the area.

(g) CONCURRENCE OF THE SECRETARY OF THE AIR FORCE.—A parcel of land described in paragraphs (1) through (7) of subsection (b) shall not be sold or exchanged by the Secretary without the concurrence of the Secretary of the Air Force.

(h) CASH EQUALIZATION.—Notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), if the value of non-Federal land for which Federal land is exchanged under this section is less than the value of the Federal land exchanged, the Secretary may accept a cash equalization payment in excess of 25 percent of the value of the Federal land.

(i) DISPOSITION OF PROCEEDS.—

(1) IN GENERAL.—The net proceeds derived from any sale or exchange under this Act shall be deposited in the fund established by Public Law 90–171 (commonly known as the ''Sisk Act'') (16 U.S.C. 484a).

(2) USE.—Amounts deposited under paragraph (1) shall be available to the Secretary for expenditure, without further appropriation, for—

(A) acquisition of land and interests in land for inclusion as units of the National Forest System in the State; and

(B) reimbursement of costs incurred by the Secretary in carrying out land sales and exchanges under this Act, including the payment of real estate broker commissions under subsection (f).

SEC. 4. ADMINISTRATION.

(a) IN GENERAL.—Land acquired by the United States under this Act shall be—

(1) subject to the Act of March 1, 1911 (commonly known as the ''Weeks Act'') (16 U.S.C. 480 et seq.); and

(2) administered in accordance with laws (including regulations) applicable to the National Forest System.

(b) APPLICABLE LAW.—The land described in section 3(b) shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(c) WITHDRAWAL.—Subject to valid existing rights, the land described in section 3(b) is withdrawn from location, entry, and patent under the public land laws, mining laws, and mineral leasing laws (including geothermal leasing laws).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. PUTNAM) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. Mr. Speaker, I yield myself such time as I may consume.

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

Mr. PUTNAM. Mr. Speaker, I rise in support of Senate 117, the Florida National Forest Management Act of 2003. I commend the gentleman from Florida (Mr. MILLER), my good friend, for his leadership on this issue.

This bill allows the Secretary of Agriculture to solicit offers to sell or exchange 17 parcels of land within the National Forest system in Florida. These parcels, according to the Department of Agriculture are ''isolated lands that no longer contain National Forest characteristics and are no longer manageable as National Forest system land.'' Many of the parcels this bill considers contain structures such as baseball fields and the Okaloosa County Fairgrounds.

The committee received letters of support from the Department of Agriculture and the concurrence of the Air Force for the sale or exchange of lands adjacent to Air Force property in Florida. All interested parties agree that this bill will improve ownership patterns, facilitate the best use of these lands, and enable the Forest Service to

achieve its land management objectives. I urge all the Members to support this important legislation.

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

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 117, the Florida National Forest Land Management Act of 2003. This legislation was introduced by Senator GRAHAM, was passed in the Senate by unanimous consent on March 4. The companion measure we consider tonight was introduced by the gentleman from Florida (Mr. MILLER).

This legislation was drafted with the help of the U.S. Forest Service and supported by the Air Force and will aid the agency with fire prevention and protection in the area.

Mr. Speaker, I urge my colleagues to support this legislation.

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

Mr. PUTNAM. Mr. Speaker, I include in the RECORD jurisdiction-related letters between the Committee on Agriculture and the Committee on Resources regarding this legislation.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Washington, DC, November 19, 2003.

Hon. BOB GOODLATTE,
Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand that you wish to consider H.R. 482, on the Floor of the House of Representatives today. This bill authorizes the Secretary of Agriculture to convey several National Forest System parcels in the State of Florida. The bill was referred solely to the Committee on Agriculture. However, a closer reading shows that 16 of the 17 parcels are located in the Choctawhatchee and Ocala National Forests, which are forests created from the public domain. Those forests are under the jurisdiction of the Committee on Resources under Rule X of the Rules of the House of Representatives. In addition, the bill waives a provision of the Federal Land Policy Management Act, a statute also under Resources' purview.

My staff has reviewed the bill and we have no problem with the substance. Because of the limited number of days remaining in the first session of the 108th Congress and the importance of this bill to Congressman Jeff Miller, I will not insist on a referral of the bill. Of course, this action does not waive our jurisdiction over the bill, nor is this action to be construed as a precedent for other, similar legislation. In addition, I would ask you to support my request to have the Committee on Resources to be represented on any conference on H.R. 482 or a similar bill, should one become necessary. Finally, I would include this letter and any response you might have in the Congressional Record during debate on H.R. 482.

Thank you for your consideration of my request. I appreciate our continued excellent working relationship on forest issues and look forward to working with you on other bills this Congress.

Sincerely,

RICHARD W. POMBO,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, November 19, 2003.

Hon. RICHARD POMBO,
Committee on Resources,
Washington, DC.

DEAR MR. CHAIRMAN: I wanted to take this opportunity to thank you for your letter regarding H.R. 482. As you know, its companion bill S. 117 is being considered on the floor of the House of Representatives today. The bill, S. 117 would authorize the Secretary of Agriculture to sell or exchange certain land in the State of Florida, and for other purposes.

Both S. 117 and H.R. 482 were referred solely to the House Agriculture Committee. However, I understand that your committee could have received sequential jurisdiction over this legislation. Therefore, I understand and appreciate your willingness to forego committee referral of the bill for the sake of timeliness and the importance of this legislation to Congressman Miller of Florida.

I support your request to have the Committee on Resources be represented on any conference on S. 117 or a similar bill, should one be necessary. However, after passage, this bill will move to the President for his approval.

Thank you in advance for your consideration of this request.

Sincerely,

BOB GOODLATTE,
Chairman.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. MILLER), the sponsor of the legislation.

Mr. MILLER of Florida. Mr. Speaker, I thank my colleague, the gentleman from Florida (Mr. PUTNAM), from Polk County for yielding me this time.

Mr. Speaker, I too rise today in support of Senate Bill 117, the Florida National Forest Land Management Act of 2003. This legislation does allow the State of Florida and the U.S. Department of Forestry to close the loop on a patchwork of land that goes from the panhandle of Florida to the tip of the peninsula.

In my district alone some of this land has transferred from the Forestry Service to the Air Force and back to the Forestry Service again. In Okaloosa County, 80 acres are currently leased for the county fairgrounds, complete with ball fields. This parcel is a parcel of land that the Department of Forestry does not want or need, but cannot convey unless this legislation is passed.

Under the Federal sites administration law, Congress can identify specific excess land that can be sold by the Forestry Service and with the money earned purchase State forest areas. This method has already been used in Texas, Mississippi, and in Virginia. For Florida, and, more specifically, my district, this is a win-win. Okaloosa County gets the land; the Department of Forestry can use the money it receives to purchase additional property.

Under the legislation, which has been passed in the Senate and approved by the House Committee on Agriculture, the Secretary of Agriculture may solicit offers for the sale or exchange of the land or reject any offer received under this section if the Secretary determines that the offer is inadequate or is not in the best interest of the public.

For parcels that run adjacent to or are in any way connected to the Air Force's property, which some parcels are, the sale or exchange cannot be executed by the Secretary of Agriculture without the concurrence of the Secretary of the Air Force.

Additionally, the Congressional Budget Office estimates that enacting this legislation would not significantly affect the Federal budget, and the measure contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant impact on the budgets of State, local, or tribal governments.

Therefore, Mr. Speaker, I would like to thank the leadership for making room on today's calendar for this important piece of legislation. I would like to thank the chairman and also my colleague, the gentleman from Florida (Mr. PUTNAM), and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their assistance in seeing that this measure comes to the floor. I ask for their support and others.

Mr. PUTNAM. Mr. Speaker, I have no further speakers on this issue. We do thank the gentleman from Texas (Mr. STENHOLM) and the rest of the minority for their assistance in moving this legislation as quickly as we have.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. PUTNAM) that the House suspend the rules and pass the Senate bill, S. 117.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PUTNAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 117.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to the provisions of clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H. Con. Res. 288, by the yeas and nays;

H. Res. 393, by the yeas and nays;

H. Res. 423, by the yeas and nays;

H.R. 3140, by the yeas and nays.

Votes on S. 686 and S. 286 will be taken tomorrow.

The first electronic vote will be conducted as a 15-minute vote. The remaining votes in this series will be 5-minute votes.

HONORING SEEDS OF PEACE FOR ITS PROMOTION OF UNDERSTANDING AMONG YOUTH FROM REGIONS OF CONFLICT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 288.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 288 on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 415, nays 0, not voting 19, as follows:

[Roll No. 641]

YEAS—415

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—19

Andrews
Bishop (NY)
Collins
Cubin
DeMint
Ehlers
Fletcher
Gephardt
Gibbons
Hoeffel
Isakson
Pence
Smith (WA)
Solis
Sullivan
Terry
Thomas
Toomey
Waxman

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1847

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to clause 8 of rule XX, the remainder of this series will be conducted as 5-minute votes.

COMMENDING AFGHAN WOMEN FOR THEIR PARTICIPATION IN AFGHAN GOVERNMENT AND CIVIL SOCIETY

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 393, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 393, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 1, not voting 19, as follows:

[Roll No. 642]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost

Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—19

Andrews
Bishop (NY)
Collins
Cubin
DeMint
Ehlers
Fletcher
Gephardt
Gibbons
Hoeffel
Isakson
Johnson, Sam
Pryce (OH)
Smith (TX)
Smith (WA)
Sullivan
Thomas
Toomey
Waxman

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1854

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

The title of the resolution was amended so as to read: ''A resolution commending Afghan women for their participation in Afghan government and civil society, encouraging the inclusion of Afghan women in the political and economic life of Afghanistan, and advocating the protection of the human rights of all Afghans, particularly women, in the Afghanistan Constitution.''.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. WAXMAN. Mr. Speaker, I ask that the RECORD reflect that had I been able to be here, I would have voted ''yea'' on H. Con. Res. 288 and H. Res. 393.

RECOGNIZING THE 5TH ANNIVERSARY OF THE SIGNING OF THE INTERNATIONAL RELIGIOUS FREEDOM ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 423, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, H. Res. 423, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 416, nays 1, not voting 17, as follows:

[Roll No. 643]

YEAS—416

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sanchez, Linda T.

Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—17

Andrews
Bishop (NY)
Collins
Cubin
DeMint
Ehlers
Fletcher
Gephardt
Hoeffel
Isakson
Johnson, Sam
Keller
Sabo
Smith (WA)
Sullivan
Thomas
Toomey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1902

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FAIRNESS TO CONTACT LENS CONSUMERS ACT

The SPEAKER pro tempore (Mr. SIMPSON). The pending business is the question of suspending the rules and passing the bill, H.R. 3140, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. BURR) that the House suspend the rules and pass the bill, H.R. 3140, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 406, nays 12, not voting 16, as follows:

[Roll No. 644]

YEAS—406

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—12

Berry
Davis, Jo Ann
Etheridge
Flake
Franks (AZ)
Gutknecht
Hoekstra
Moran (KS)
Paul
Schrock
Shadegg
Smith (MI)

NOT VOTING—16

Andrews
Bishop (NY)
Cardoza
Collins
Cox
Cubin
DeMint
Ehlers
Fletcher
Gephardt
Hoeffel
Isakson
Johnson, Sam
Smith (WA)
Sullivan
Toomey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GINGREY) (during the vote). Two minutes remain in this vote.

□ 1910

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1078

Mr. BARRETT of South Carolina. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 1078.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF H.R. 253, TWO FLOODS AND YOU ARE OUT OF THE TAXPAYERS' POCKET ACT OF 2003

Mr. FOLEY (during debate on motion to instruct on H.R. 1). Mr. Speaker, I ask unanimous consent that it shall be in order at any time without intervention of any point of order to consider in the House the bill H.R. 253; the bill shall be considered as read for amendment; in lieu of the amendment recommended by the Committee on Financial Services now printed in the bill, an amendment in the nature of a substitute and numbered one printed in the CONGRESSIONAL RECORD of November 19, 2003, shall be considered as adopted; the previous question shall be

considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except:

(1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services;

(2) a further amendment in the nature of a substitute now at the desk, if offered by the gentleman from Louisiana (Mr. BAKER) or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for 30 minutes equally divided and controlled by the proponent and an opponent; and

(3) one motion to recommit with or without instructions.

Further, that the amendment placed at the desk be considered as read for purposes of this unanimous consent request.

The text of the amendment in the nature of a substitute is as follows:

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 253, AS REPORTED, OFFERED BY MR. BAKER OF LOUISIANA

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Flood Mitigation Reform Act of 2003''.

SEC. 2. EXTENSION OF PROGRAM AND CONSOLIDATION OF AUTHORIZATIONS.

The National Flood Insurance Act of 1968 is amended as follows:

(1) BORROWING AUTHORITY.—In the first sentence of section 1309(a) (42 U.S.C. 4016(a)), by striking ''through December'' and all that follows through '', and'' and inserting the following: ''through the date specified in section 1319, and''.

(2) AUTHORITY FOR CONTRACTS.—In section 1319 (42 U.S.C. 4026), by striking ''after'' and all that follows and inserting ''after September 30, 2008.''.

(3) EMERGENCY IMPLEMENTATION.—In section 1336(a) (42 U.S.C. 4056(a)), by striking ''during the period'' and all that follows through ''in accordance'' and inserting ''during the period ending on the date specified in section 1319, in accordance''.

(4) AUTHORIZATION OF APPROPRIATIONS FOR STUDIES.—In section 1376(c) (42 U.S.C. 4127(c)), by striking ''through'' and all that follows and inserting the following: ''through the date specified in section 1319, for studies under this title.''.

SEC. 3. ESTABLISHMENT OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.

(a) IN GENERAL.—The National Flood Insurance Act of 1968 is amended by inserting after section 1361 (42 U.S.C. 4102) the following new section:

''PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES

''SEC. 1362. (a) AUTHORITY.—To the extent amounts are made available for use under this section, the Director may, subject to the limitations of this section, provide financial assistance to States and communities for taking actions with respect to severe repetitive loss properties (as such term is defined in subsection (b)) to mitigate flood damage to such properties and losses to the National Flood Insurance Fund from such properties.

''(b) SEVERE REPETITIVE LOSS PROPERTY.—For purposes of this section, the term 'severe repetitive loss property' has the following meaning:

''(1) SINGLE-FAMILY PROPERTIES.—In the case of a property consisting of one to four residences, such term means a property that—

''(A) is covered under a contract for flood insurance made available under this title; and

''(B) has incurred flood-related damage—

''(i) for which four or more separate claims payments have been made under flood insurance coverage under this title before the date of the enactment of the Flood Mitigation Reform Act of 2003, with the amount of each such claim exceeding $5,000, and with the cumulative amount of such claims payments exceeding $20,000;

''(ii) for which four or more separate claims payments have been made under flood insurance coverage under this title after the date of the enactment of the Flood Mitigation Reform Act of 2003, with the amount of each such claim exceeding $3,000, and with the cumulative amount of such claims payments exceeding $15,000; or

''(iii) for which at least two separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the property.

''(2) MULTIFAMILY PROPERTIES.—In the case of a property consisting of five or more residences, such term shall have such meaning as the Director shall by regulation provide.

''(c) ELIGIBLE ACTIVITIES.—Amounts provided under this section to a State or community may be used only for the following activities:

''(1) MITIGATION ACTIVITIES.—To carry out mitigation activities that reduce flood damages to severe repetitive loss properties, including elevation, relocation, demolition (with or without reconstruction of the structure in a floodproof manner), and floodproofing of structures, and minor physical localized flood control projects.

''(2) PURCHASE.—To purchase severe repetitive loss properties, subject to subsection (f).

''(d) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Director may not provide assistance under this section to a State or community in an amount exceeding 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from non-Federal funds for carrying out the eligible activities to be funded with such assistance amounts.

''(2) WAIVER.—

''(A) AUTHORITY.—Subject to subparagraph (B), the Director may waive the limitation under paragraph (1) for any State, and for the communities located in that State, with respect to a year, if, for such year—

''(i) 5 percent or more of the total number of severe repetitive loss properties in the United States are located in such State; and

''(ii) the State submits a plan to the Director specifying how the State intends to reduce the number of severe repetitive loss properties and the Director determines, after consultation with State and technical experts, that the State has taken actions to reduce the number of such properties.

''(B) LIMITATION.—In each waiver under subparagraph (A), the Director may waive the limitation under paragraph (1) only to the extent that the State or community involved is required to contribute, for each severe repetitive loss property for which grant amounts are provided, not less than 10 percent of the cost of the activities for such properties that are to be funded with grant amounts.

''(3) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes State or local agency funds, in-kind contributions, any salary paid to staff to carry out the eligible activities of the recipient, the value of the time and services contributed by volunteers to carry out such activities (at a rate determined by the Director), and the value of any donated material or building and the value of any lease on a building.

''(e) STANDARDS FOR MITIGATION OFFERS.—The program under this section for providing assistance for eligible activities for severe repetitive loss properties shall be subject to the following limitations:

''(1) PRIORITY.—In determining the properties for which to provide assistance for eligible activities under subsection (c), the Director shall provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.

''(2) OFFERS.—The Director shall provide assistance in a manner that permits States and communities to make offers to owners of severe repetitive loss properties to take eligible activities under subsection (c) as soon as is practicable.

''(3) FUNDING REQUIREMENT.—An offer to provide assistance for any eligible activity under subsection (c) with respect to a property may not be made unless adequate amounts are available in the National Flood Insurance Fund pursuant to subsection (h) for the full amount of the portion of such assistance for such property to be provided by the Director.

''(4) NOTICE.—Upon making an offer to provide assistance with respect to a property for any eligible activity under subsection (c), the State or community shall notify each holder of a recorded interest on the property of such offer and activity.

''(f) PURCHASE PRICE.—A State or community may take action under subsection (c)(2) to purchase a severe repetitive loss property only if the amount of purchase offer is not less than the greatest of—

''(1) the amount of the original purchase price of the property, when purchased by the holder of the current policy of flood insurance under this title;

''(2) the total amount owed, at the time the offer to purchase is made, under any loan secured by a recorded interest on the property; and

''(3) an amount equal to the fair market value of the property immediately before the most recent flood event affecting the property.

''(g) INCREASED PREMIUMS IN CASES OF REFUSAL TO MITIGATE.—

''(1) IN GENERAL.—In any case in which the owner of a severe repetitive loss property refuses an offer to take action under paragraph (1) or (2) of subsection (c) with respect to such property, the Director shall—

''(A) notify each holder of a recorded interest on the property of such refusal; and

''(B) notwithstanding subsections (a) through (c) of section 1308, thereafter the chargeable premium rate with respect to the property shall be the amount equal to 150 percent of the chargeable rate for the property at the time that the offer was made, as adjusted by any other premium adjustments otherwise applicable to the property and any subsequent increases pursuant to paragraph (2) and subject to the limitation under paragraph (3).

''(2) INCREASED PREMIUMS UPON SUBSEQUENT FLOOD DAMAGE.—Notwithstanding subsections (a) through (c) of section 1308, if the owner of a severe repetitive loss property does not accept an offer to take action under paragraph (1) or (2) of subsection (c) with respect to such property and a claim payment exceeding $1,500 is made under flood insurance coverage under this title for damage to

the property caused by a flood event occurring after such offer is made, thereafter the chargeable premium rate with respect to the property shall be the amount equal to 150 percent of the chargeable rate for the property at the time of such flood event, as adjusted by any other premium adjustments otherwise applicable to the property and any subsequent increases pursuant to this paragraph and subject to the limitation under paragraph (3).

''(3) LIMITATION ON INCREASED PREMIUMS.—In no case may the chargeable premium rate for a severe repetitive loss property be increased pursuant to this subsection to an amount exceeding the applicable estimated risk premium rate for the area (or subdivision thereof) under section 1307(a)(1).

''(4) TREATMENT OF DEDUCTIBLES.—Any increase in chargeable premium rates required under this subsection for a severe repetitive loss property may be carried out, to the extent appropriate, as determined by the Director, by adjusting any deductible charged in connection with flood insurance coverage under this title for the property.

''(5) NOTICE OF CONTINUED OFFER.—Upon each renewal or modification of any flood insurance coverage under this title for a severe repetitive loss property, the Director shall notify the owner that the offer made pursuant to subsection (c) is still open.

''(6) APPEALS.—

''(A) IN GENERAL.—Any owner of a severe repetitive loss property may appeal a determination of the Director to take action under paragraph (1)(B) or (2) with respect to such property, based only upon the following grounds:

''(i) As a result of such action, the owner of the property will not be able to purchase a replacement primary residence of comparable value and that is functionally equivalent.

''(ii) As a result of such action, the preservation or maintenance of any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the National Register of historic places will be interfered with, impaired, or disrupted.

''(iii) The flooding that resulted in the flood insurance claims sufficient for the property to be classified as a severe repetitive loss property resulted from significant actions by a third party in violation of Federal, State, or local law, ordinance, or regulation.

''(iv) In purchasing the property, the owner relied upon flood insurance rate maps of the Federal Emergency Management Agency that were current at the time and did not indicate that the property was located in an area having special flood hazards.

''(B) PROCEDURE.—An appeal under this paragraph of a determination of the Director shall be made by filing, with the Director, a request for an appeal within 90 days after receiving notice of such determination. Upon receiving the request, the Director shall select, from a list of independent third parties compiled by the Director for such purpose, a party to hear such appeal. Within 90 days after filing of the request for the appeal, such third party shall review the determination of the Director and shall set aside such determination if the third party determines that the grounds under subparagraph (A) exist. During the pendency of an appeal under this paragraph, the Director shall stay the applicability of the rates established pursuant to paragraph (1)(B) or (2), as applicable.

''(C) EFFECT OF FINAL DETERMINATION.—In an appeal under this paragraph—

''(i) if a final determination is made that the grounds under subparagraph (A) exist, the third party hearing such appeal shall make a determination of how much to reduce the chargeable risk premium rate for flood insurance coverage for the property involved in the appeal from the amount required under paragraph (1)(B) or (2) and the Director shall promptly reduce the chargeable risk premium rate for such property by such amount; and

''(ii) if a final determination is made that the grounds under subparagraph (A) do not exist, the Director shall promptly increase the chargeable risk premium rate for such property to the amount established pursuant to paragraph (1)(B) or (2), as applicable, and shall collect from the property owner the amount necessary to cover the stay of the applicability of such increased rates during the pendency of the appeal.

''(D) COSTS.—If the third party hearing an appeal under this paragraph is compensated for such service, the costs of such compensation shall be borne—

''(i) by the owner of the property requesting the appeal, if the final determination in the appeal is that the grounds under subparagraph (A) do not exist; and

''(ii) by the National Flood Insurance Fund, if such final determination is that the grounds under subparagraph (A) do exist.

''(E) REPORT.—Not later than 6 months after the date of the enactment of the Flood Mitigation Reform Act of 2003, the Director shall submit a report to the House of Representatives and the Senate describing the rules, procedures, and administration for appeals under this paragraph.

''(h) DISCRETIONARY ACTIONS IN CASES OF FRAUDULENT CLAIMS.—If the Director determines that a fraudulent claim was made under flood insurance coverage under this title for a severe repetitive loss property, the Director may—

''(1) cancel the policy and deny the provision to such policyholder of any new flood insurance coverage under this title for the property; or

''(2) refuse to renew the policy with such policyholder upon expiration and deny the provision of any new flood insurance coverage under this title to such policyholder for the property.

''(i) FUNDING.—Pursuant to section 1310(a)(8), the Director may use amounts from the National Flood Insurance Fund to provide assistance under this section each of fiscal years 2004, 2005, and 2006. The amount so used in each such fiscal year may not exceed $40,000,000 and shall remain available for such purpose until expended or the expiration of the 3-year period under subsection (j), whichever occurs first. After the expiration of such 3-year period, the Director may use amounts from such Fund to provide assistance in connection with any outstanding offers for eligible activities under this section. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.

''(j) TERMINATION.—The Director may not provide assistance under this section to any State or community for carrying out eligible activities under this section pursuant to an offer for such activities made after the expiration of the 3-year period beginning on the date of the enactment of the Flood Mitigation Reform Act of 2003.

''(k) REGULATIONS.—The Director shall issue regulations to carry out this section, which shall take effect not later than the expiration of the 180-day period beginning on the date of the enactment of the Flood Mitigation Reform Act of 2003. The regulations shall be issued after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).''.

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (7), by striking ''and'' at the end; and

(2) by striking paragraph (8) and inserting the following new paragraph:

''(8) for financial assistance under section 1362 to States and communities for taking actions under such section with respect to severe repetitive loss properties, but only to the extent provided in section 1362(i); and''.

(c) INAPPLICABILITY OF ANNUAL LIMITATIONS ON PREMIUM INCREASES IN CASES OF REFUSAL TO MITIGATE.—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended by striking ''Notwithstanding'' and inserting ''Except with respect to any increase pursuant to section 1362(g) and notwithstanding''.

(d) GAO STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall carry out a study of the pilot program for mitigation of severe repetitive loss properties established under the amendments made by this section. Such study shall determine—

(A) the number of properties for which mitigation activities have been conducted under the program;

(B) the amount of savings to the National Flood Insurance Program as a result of the program;

(C) the number of property owners to whom offers were made for mitigation activities under the program that initially refused such offers; and

(D) the number of owners referred to in subparagraph (C) that eventually accepted such offers.

(2) REPORT.—Not later than Oct. 31, 2006, the Comptroller General shall submit a report to the Congress regarding the results of the study.

SEC. 4. AMENDMENTS TO EXISTING FLOOD MITIGATION ASSISTANCE PROGRAM.

(a) STANDARD FOR APPROVAL OF MITIGATION PLANS.—Section 1366(e)(3) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(c) is amended by adding at the end the following new sentence: ''The Director may approve only mitigation plans that give priority for funding to such properties, or to such subsets of properties, as are in the best interest of the National Flood Insurance Fund.''.

(b) PRIORITY FOR MITIGATION ASSISTANCE.—Section 1366(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended by striking paragraph (4) and inserting the following new paragraph:

''(4) PRIORITY FOR MITIGATION ASSISTANCE.—In providing grants under this subsection for mitigation activities, the Director shall give first priority for funding to such properties, or to such subsets of such properties as the Director may establish, that the Director determines are in the best interests of the National Flood Insurance Fund and for which matching amounts under subsection (f) are available.''.

(c) COORDINATION WITH STATES AND COMMUNITIES.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended by adding at the end the following new subsection:

''(m) COORDINATION WITH STATES AND COMMUNITIES.—The Director shall, in consultation and coordination with States and communities take such actions as are appropriate to encourage and improve participation in the national flood insurance program of owners of properties, including owners of properties that are not located in areas having special flood hazards but are located within the 100-year floodplain.''.

(d) FUNDING.—Section 1367(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d(b)) is amended by striking paragraph (1) and inserting the following new paragraph:

''(1) in each fiscal year, amounts from the National Flood Insurance Fund not exceeding $40,000,000;

SEC. 5. FEMA AUTHORITY TO FUND MITIGATION ACTIVITIES FOR INDIVIDUAL PROPERTIES.

(a) IN GENERAL.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

''GRANTS FOR MITIGATION ACTIONS FOR CERTAIN INDIVIDUAL PROPERTIES

''SEC. 1323. (a) IN GENERAL.—The Director may provide funding for mitigation actions that reduce flood damages to individual properties for which one or more claim payments for losses have been made under flood insurance coverage under this title, but only if the Director determines that—

''(1) such activities are in the best interest of the National Flood Insurance Fund; and

''(2) such activities can not be funded under the program under section 1366 because—

''(A) the requirements of section 1366(g) are not being met by the State or community in which the property is located; or

''(B) the State or community does not have the capacity to manage such activities.

''(b) PRIORITY FOR WORST-CASE PROPERTIES.—In determining the properties for which funding is to be provided under this section, the Director shall consult with the States in which such properties are located and provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.''.

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by adding at the end the following new paragraph:

''(9) for funding, not to exceed $10,000,000 in any fiscal year, for mitigation actions under section 1323, except that, notwithstanding any other provision of this title, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.''.

SEC. 6. TARGETS FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.

Section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012) is amended by adding at the end the following new subsection:

''(d) TARGETS FOR PARTICIPATION.—Not later than December 31, 2004, the Director shall submit to the Congress a detailed plan for increasing the percentage of properties located in areas in which flood insurance coverage under this title is made available that are covered by such insurance. The plan shall describe specific actions to be taken to ensure that such participation is not less than—

''(1) 55 percent as of December 31, 2005;

''(2) 57 percent as of December 31, 2006; and

''(3) 60 percent as of December 31, 2007.''.

SEC. 7. REITERATION OF FEMA RESPONSIBILITY TO MAP MUDSLIDES.

As directed in section 1360(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(b)), the Director of the Federal Emergency Management Agency is again directed to accelerate the identification of risk zones within flood-prone and mudslide-prone areas, as provided by subsection (a)(2) of such section 1360, in order to make known the degree of hazard within each such zone at the earliest possible date.

The SPEAKER pro tempore (Mr. GINGREY). Is there objection to the request of the gentleman from Florida?

Mr. FRANK of Massachusetts. Mr. Speaker, reserving the right to object, I just want to say that this unanimous-consent agreement reflects a very cooperative agreement between the majority and the minority. We have had a chance to go over all this. It is an agreed upon procedure. We have even had a chance to read the bill. And so because this is such a contrast to the Medicare bill and the way it has been handled, I do not object.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

Mr. INSLEE. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby give notice of my intention to offer a motion to instruct on H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003.

The form of the motion is as follows:

Mr. INSLEE of Washington moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 1 be instructed as follows:

(1) To reject the provisions of subtitle C of title II of the House bill.

(2) To reject the provisions of section 231 of the Senate amendment.

(3) Within the scope of conference, to increase payments by an amount equal to the amount of savings attributable to the rejection of the aforementioned provisions to—

(A) raise the average standardized amount for hospitals in rural and other urban areas to the level of the rate for those in larger urban areas; and

(B) to raise the physicians' work geographic index for any locality in which such index is less than 1.0 to a work geographic index of 1.0.

(4) To insist upon section 601 of the House bill.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 2989, DEPARTMENTS OF TRANSPORTATION, AND TREASURY AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2004

Mr. HASTINGS of Florida. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I announce my intention to offer a motion to instruct conferees tomorrow on the bill H.R. 2989, the Departments of Transportation and Treasury and Independent Agencies Appropriations Act of 2004.

The form of the motion is as follows:

Mr. HASTINGS of Florida moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to the bill H.R. 2989 be instructed to recede from disagreement with Senate Amendment 1928 (relating to the provision of $1,500,000,000 for grants to assist State and local efforts to improve election technology and the administration of Federal elections, as authorized by the Help America Vote Act of 2002).

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, I was unavoidably detained in my district yesterday, but if I had been here I would have voted in the following way: On rollcall vote 628, on ordering the previous question, I would have voted ''nay;'' on rollcall vote 629, on agreeing to H. Res. 443, I would have voted ''no;'' on rollcall vote 630, H.R. 6, I would have voted ''yea;'' on rollcall vote 631, on agreeing to the energy and water conference report, I would have voted ''aye;'' on rollcall vote 632, H.R. 1274, I would have voted ''aye;'' and on rollcall vote 633, on the motion to instruct conferees on H.R. 2417, I would have voted ''aye.''

MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

Ms. HOOLEY of Oregon. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Ms. HOOLEY of Oregon moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 1 be instructed as follows:

(1) To reject the provisions of subtitle C of title II of the House bill.

(2) To reject the provisions of section 231 of the Senate amendment.

(3) Within the scope of conference, to increase payments for physician services by an amount equal to the amount of savings attributable to the rejection of the aforementioned provisions.

(4) To insist upon section 601 of the House bill.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentlewoman from Oregon (Ms. HOOLEY) and the gentleman from Florida (Mr. FOLEY) each will control 30 minutes.

The Chair recognizes the gentlewoman from Oregon (Ms. HOOLEY).

□ 1915

Ms. HOOLEY of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I stand here in the well of the people's House today to offer a motion to instruct the conferees of the Medicare prescription drug bill to provide a much-needed payment update to physicians for the next 2 years and eliminate provisions that would privatize Medicare.

Right now, as we speak, doctors are faced with the tough choices of treating patients, old friends and new patients alike, or turning them away since the reimbursements under the Medicare program have not kept pace

with the costs of practicing medicine. This is not an argument about the quality of health care; it is about the ability to receive health care at all. This is a particular problem in rural areas like those that make up part of my district in Oregon.

The decisions that we make on this bill will have a disproportionate impact on the ability of millions of Americans to have access to health care. We cannot enable more doctors to see more Medicare patients if we continue cutting payments to doctors. If we do not act soon, there will be another 4.5 percent reduction in reimbursements to physicians who are treating those who count on their care the most, our seniors. That 4.5 percent cut represents a loss of $20 million to my State alone. The overall costs are staggering, and the damage to the health of American seniors will be as well.

For a State with historically low Medicare reimbursements like Oregon, the impact is even greater. According to the AMA, the cost of practicing medicine has gone up by more than one-third since 1991. Over the same period of time, the rise in Medicare payments has been less than 10 percent. Just last year, doctor payments were cut by 5.4 percent; and if we allow those further cuts to take effect, this would be the fifth time in 12 years that rates have been cut. If cut, the level would drop to nearly 8 percent below the 2001 level.

My doctors tell me their costs have not dropped by 8 percent, and I suspect that doctors across the country would agree. It makes no sense whatsoever to cut payments when the costs of practicing medicine are on the rise. Doctors simply cannot afford to take more cuts. I am worried whether we are going to have a Medicare system by the cuts we are asking doctors to take. Already one-quarter of family physicians across the Nation are saying they cannot accept any new Medicare patients. Who knows how many more will choose to do the same in January when they are told reimbursements have been slashed again.

As a Nation, we must provide our doctors with a means to treat and provide health care to our citizens. This motion would instruct the conferees to protect the language in the House version of the prescription drug bill that would reverse the cut to our physicians while providing a 1.5 percent increase to payments for the next 2 years.

To fund the increases in payments to our doctors, this motion strikes funding for privatization provisions in the underlying prescription drug bill. The Centers for Medicare and Medicaid Services estimates that under a privatized Medicare, premiums would skyrocket for seniors who choose to stay in traditional Medicare. I am concerned that by increasing the premiums of traditional Medicare many beneficiaries would be forced into HMOs and other private plans.

This small, but critical, increase will give doctors nationwide the wherewithal to continue treating seniors on Medicare, and it will give Congress time to develop a permanent fix for this flawed system that shortchanges doctors and continues to restrict the ability of seniors to access health care services.

I ask my colleagues to work with me to fix this Medicare physician reimbursement formula which currently threatens to destabilize the Medicare program. Seniors rely on their doctors and the medicines they need to stay healthy. They have waited too long for a prescription drug benefit in Medicare and relief from the high cost of prescription drugs. We must work together for a drug benefit that prevents seniors from risking their health by cutting pills in half or having to choose between paying for medicine or paying their rent, electricity, or buying food.

For 4 decades this Nation promised that Medicare would provide health care for all seniors. Medicare ensures these hard-working older Americans who have paid taxes and paid into the system that they have health care coverage. I urge my colleagues to vote for this motion to allow our constituents to continue to have access to high-quality care.

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

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am thrilled to be on the floor talking about Medicare tonight and certainly thrilled I have a chance to answer some of the comments made by the gentlewoman from Oregon (Ms. HOOLEY).

In my district in Florida, I have the fifth largest Medicare eligible population of 435 congressional districts. This is not an issue I take lightly. I would suggest some of our colleagues read the actual bill because what they are asking us to do tonight in their amendment is exactly why we are focused on some of the reforms in the very Medicare package we are talking about.

A physician update, an increase in payment, is in the bill the House Republicans have authored and sent to this floor and now is in conference. There was a mention that there was a fee cut last year of 5.4 percent. I would like to correct the record. As a member of the Committee on Ways and Means who fought to increase physician reimbursement, not only did we eliminate the cut a year ago; we actually increased by 1.5 percent in this bill. In Oregon we have a 1.5 percent update in 2004 and in 2005. We have a 5 percent bonus for those working in rural Oregon to make certain that they are able to see the patients because of the limited access and limited number of physicians. So there is a 16 percent increase in the bill we are talking about today.

Let me also take some exception when it is discussed about this FEHBP competitive-style model for a minute. My district is typical of most districts in the country. In fact, in Florida I represent eight counties: Palm Beach County, St. Lucie, Okeechobee, Glades, Hendry, Martin, and Charlotte. It goes from the east coast on the Atlantic to the west, ending at the Gulf of Mexico. There is almost every demographic mix one can imagine, people moving from the north and east coast; and what they have said to me in town hall after town hall, I want choices like Members of Congress have. They say they want choices like we have in our health care delivery system, and I reach for my wallet because I know somewhere in here is my Federal health benefit plan; and I get a range of options to choose from, whether I want a higher deductible, higher copayment, whether I want a fee-for-service or PPO or a managed care plan.

Seniors in my district are smart enough to know they are able to make choices. The Democrats have been down the street burning AARP cards this afternoon. Rather than engaging in constructive debate on how to fix the most important plan for seniors in this country, they are invoking memories of Jane Fonda burning things in city streets around our country and screaming that AARP has sold them out.

A month ago AARP was, as I was told by some of my colleagues on the other side of the aisle, the gold standard of senior lobbying organizations, and I tend to agree. I meet with AARP in my district in order to have a dialogue to see if we can meet some common ground and common objective. So when AARP indicated that they were supporting our Medicare bill, it was not only refreshing that we were engaged in a bipartisan, constructive conversation, but we were actually modernizing Medicare.

So to eliminate the competitive model in the Medicare plan we are discussing undermines the very notion of what the gentlewoman from Oregon (Ms. HOOLEY) is debating on the floor today. The update for physicians is in the bill.

Let me also say another thing that is troubling me because I have been somewhat perplexed by this insistence by the other side of the aisle that the trouble with this bill is we do not get after those nasty drug companies.

We do not just let our citizens run across the border and buy drugs from Canada. I just finished a TV interview with one of my colleagues talking about the cost of drugs in America and the cost of drugs in Canada, but let me talk about a more critical concern of mine.

In my district in my county in Florida, the first case of anthrax poisoning occurred in Palm Beach County, Florida, the death of a man who worked for the National Inquirer because he contracted anthrax through the mail that was sent to the National Inquirer.

Why do I bring that up and why do I raise the anthrax attacks and the fear

it invoked in Florida? Because one of the concerns that we have all indicated is we want cheaper prescription drug prices for our seniors, but we wanted a protected chain of custody to make certain that the drugs we are getting for our seniors are not tainted.

Let me read this headline from the National Journal Group American Health Line. It says that Florida laws to prevent the sale of counterfeit or diluted prescription drugs in the State are too weak, according to a report issued Tuesday. The Miami Herald reports the report found that as many as 55 of the 1,458 prescription drug wholesalers licensed in Florida sell counterfeit or diluted medications or treatments illegally imported into the United States. The Office of the Attorney General said the questionable medicines for some wholesalers have reached pharmacies, but the extent of the problem is not known.

So I continue to hear these bottles of pills rattling on the other side of the aisle saying just let us have our chance to be in the debate, and we will get Americans cheaper drugs from Canada. Well, the first person that dies from an anthrax-laced medication or the first person that receives phony or altered cancer drugs and dies because they did not receive the proper dosage, the first person who has a catastrophic incident because somehow that cheaper drug that my colleagues have suggested they will bring to our States has harmed a citizen, I cannot wait to watch the rush for the exit by each of those who have been rattling these pill bottles saying that was not my idea, I certainly did not want any part of it.

So let us debate Medicare and let us debate it on the floor, not in the AARP lobby, not in the newspapers, and not on TV, but for seniors like my parents and in the memory of my grandmother, whose one wish was that Social Security and Medicare would sustain her for her life. The one check she would wait for was Social Security, and the one thing she wanted more than ever was not to be a burden on her children or grandchildren. She wanted to be self-sustaining. It is in her memory I have worked 9 years on Medicare and want to make certain this proposal works. So I reject this motion.

We will continue to have discussions on it, but the things that have been raised in this motion today on H.R. 1 are just not accurate. They just do not apply. If they read the bill, they will see that physicians are getting compensated properly. They will see the competitive model is not going to undermine Medicare. It has no effect on entitlement. There is continued entitlement to defined benefits under current law. There is continued access to traditional FFS Medicare through the fee-for-service Medicare throughout the country, and all payments to plans, including traditional fee-for-service Medicare based on the demographic and health risks of employees. We have provisions in this bill that deal with most of the problems raised.

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

□ 1930

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 7 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from Oregon (Ms. HOOLEY) for yielding time and thank her for her leadership on this Medicare issue and her leadership on health care issues generally.

Mr. Speaker, I heard my friend from Florida not once, not twice, not three times, maybe not even four times, maybe five, six times say, ''You should just read the bill.'' That is the problem. As bad as the Medicare bill is, the process is even worse. We would like to read the bill. We cannot find it. The reason we cannot find the bill is the bill was, first of all, written by the prescription drug companies, by the insurance companies, in private, similar to how Vice President CHENEY wrote the energy bill, Vice President CHENEY who still receives $3,000 a week from an oil company as part of his pay, but these bills have been written in secret.

The prescription drug bill has been written by the insurance industry, by the drug industry. At the conference committee when the House and Senate were trying to work together to write a bill, no House Democrats were allowed in the room. No House Democrats were allowed to look at the bill, to discuss the bill, to debate the bill or to offer amendments. When I hear my friend from Florida sort of gratuitously say we should read the bill, we would like that opportunity.

The problem with this prescription drug issue, it is not really a prescription drug bill. We could have passed a prescription drug bill, take $400 billion and distributed it to seniors who need drug coverage. We could have done that cooperatively, bipartisanly in a day or two, but what this bill really is, it is a Medicare privatization bill. When you think about this, and I have been a ranking Democrat on the Subcommittee on Health for 4, 5, 6 years, I have been on that committee for more years than that and watched sort of how the Republicans look at this Medicare issue. They all say, my mom's on Medicare, my grandfather's on Medicare, I like the program. Ultimately, when you look at what Republicans do in Medicare and you look at the history of the Republican Party with Medicare, the problem is they simply do not like Medicare. You can say, well, that's not true.

Let us do a little bit of history. When Congress passed the legislation to create Medicare, President Johnson signed the bill in July of 1965 creating this program that now insures 39 million Americans. At that moment, half of American seniors had no health insurance. The other half did, but it was clearly a big problem. Lyndon Johnson signed this bill. The fact is only 13 Republicans in the whole House of Representatives supported the bill to create Medicare. Gerald Ford, a Member of the House, opposed it. Bob Michel, the Republican leader, opposed it. John Rhodes, another Republican leader, opposed it. Bob Dole opposed it. Senator Strom Thurmond opposed it. Donald Rumsfeld voted against the creation of Medicare. They simply did not like the idea of a government program. They wanted to continue to let these seniors be out in the market, be in the private market. If they could get insurance good; if they could not, that was just too bad. They should have thought of that and made more money or whatever the reason. Nothing much happened to change Medicare except it worked, from 1965 until 1995. Then the first time Republicans had a chance, the first time Republicans were in the majority in 1995, right out of the box Newt Gingrich tried to privatize Medicare. He tried to cut $250 billion from Medicare to pay for a tax break for the most privileged people in society, just like they do now. He immediately tried to privatize Medicare. Fortunately, President Clinton stopped that. Fortunately, other Members of this Congress stood up and fought it and stopped it.

Speaker Gingrich, in 1995, bragging in a meeting of the American Conservative Union, said, We don't get rid of Medicare right away. We don't think it's politically smart. We think the right way is to go through a transition, but we know it's going to wither on the vine. That is what Speaker Gingrich wanted to do. He wanted to privatize it.

Bob Dole, then a Senator, then a Presidential candidate, Bob Dole bragged that he was in the arena trying to fight Medicare, trying to fight its creation 30 years earlier.

It is pretty clear that Republicans in 1965 voted against the creation of Medicare, including one future President, one future Presidential candidate and other leading Republicans. Then in 1995, when they had a chance, they immediately tried to privatize Medicare and cut its funding. In fact, AARP president Bill Novelli, who has gotten sort of famous this week in his sellout to the drug companies and the insurance interests, Bill Novelli wrote the preface in Newt Gingrich's health care book, his health care privatization book. He called Newt a big-idea person. The Republican majority has continued to rally behind Newt Gingrich's call for Medicare privatization. JOHN LINDER told the House Rules Committee last year that Medicare was a Soviet-style program. Dick Armey, majority leader of the House of Representatives last year, said, in a free society we wouldn't want to have Medicare. Former Congressman Rick Santorum says the traditional Medicare program has to be phased out. And BILL THOMAS, working with the drug industry and the insurance industry in writing this Medicare privatization bill, told a reporter, to those who say that this bill would end Medicare as we know it, our answer is, we certainly hope so.

The conference bill does that. It would end Medicare as we know it, because Republicans would rather throw money at a private failure rather than continue support for a public success.

Mr. Speaker, Medicare has worked for seniors in this country. We need to add a prescription drug benefit inside Medicare, not turn this program over to the insurance interests who are getting a $20 billion taxpayer gift once this bill is signed into law if it passes, and we do not want to turn this program over to the drug industry who will profit 140 billion additional dollars under this bill.

Mr. Speaker, my Republican friends, it is an honest debate. They simply do not like Medicare. They do not believe there should be a government program called Medicare. They think the insurance industry and the drug industry ought to do this. That is their view. Mr. Speaker, I hope that enough Members rally around because it is clear that seniors in this country want to protect Medicare. They do not want it privatized. They want a public health system that works for everybody and treats everybody the same.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

It is indeed appropriate that there be a doctor in the House sitting in the well presiding as we discuss this important project, a doctor who happens to be a Republican. The notion that we want to destroy Medicare is patently false. It is interesting, I am on the Committee on Ways and Means, so this is something we deal with quite frequently, how many letters I get urging us to increase the fee payments to Medicare+Choice organizations, Blue Cross and Blue Shield of New Jersey, Blue Cross and Blue Shield of Florida. From my colleagues on the other side of the aisle who somehow find those Medicare+Choice, which are popular with their constituents, we should increase reimbursements to those plans. But if they listened to the argument they just made about privatization, then those Medicare+Choice panels would not even operate. They would not even exist.

So it seems like there is a number of Members here that seem to trust the private health insurance industry when it suits the political goals of allowing their constituents to have access to prescription drugs, to eyeglasses, to other remedial services, that is okay. That is not really privatization. That is kind of a sort of an experiment, I guess. But that is in fact what is happening today. There are managed care plans that President Clinton supported and endorsed and increased funding for, community health care organizations, a number of things that we have done in our communities to make certain health care is delivered.

We know they are losing the debate when they have to bring up Newt Gingrich on the floor and rather than talk about substantive debate here, many of us have read the bill numerous times because we had it on the floor, we all had a vote, I think nine Democrats joined us in supporting that bill. I know it was not in its entirety. I am sure there are some new additions, some new conference report language, some different things, but we are not talking about whole new territory here, we are not going over new ground. But I would caution when we start accusing the entirety of the Republican Party as being opposed to Medicare that that is somewhat of a hurtful statement to this Member because I take seriously the responsibility I have representing seniors, I take seriously the fact that my parents are on Medicare, enrolled in Medicare, my father is suffering today with cancer who is being treated by great physicians in Palm Beach County who are being reimbursed by Medicare, who seem to be not only caring for him, but obviously thrilled with their work and happy with the reimbursements being offered.

The current Medicare system is a sickness model. I am hopeful that the party on the other side of the aisle comes back to the roots of Claude Pepper from Florida and Lyndon Johnson who would have recognized a fabulous program but one that needs to reflect today's technologies.

In our bill we have wellness incentives to look for dietetic screenings to see if we can prolong the life of someone suffering from diabetes. Medicare today will reimburse to amputate your limb, they will watch you go blind, they will put you on dialysis, but we will not reimburse a dietician to come in and see if we can properly construct a diet to minimize the onset of the disease. That is a plan that they want to sit here and defend? New technologies that can indicate a cancer in the body early and detect it and cause, hopefully, the cure of that cancer. Cardiovascular screening that I have worked on with Senator BOB GRAHAM from Florida.

This Medicare bill we are bringing to the floor has a lot more to offer than some of the criticism would indicate. But I still have to snicker when I see a group of people standing outside of AARP burning cards. It harkens back to an earlier day. I just somewhat humorously look at how quickly they turn on that organization whom they held in such high esteem up to 48 hours ago and now is being vilified here on the floor. We are happy AARP weighed in. They said it was a first step. They did not say this was a panacea, nor did any Member of this body ever suggest that this is the last thing we will ever do on Medicare. We will learn as we go along, we will add, we will try and increase the opportunities for preventive health care, we will increase reimbursement to hospitals in every Members' district, a bill that I authored. We are doing the drug discount card, another provision that I authored that will be in this bill. I think we are on the right track.

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

Ms. HOOLEY of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Just a reminder, I think that everybody on the floor of the House, all Members from both the Republican and Democratic Party, would be happy to see those changes, that in fact they would not pay for amputation of a leg or an arm and would pay for diabetes treatment along the way.

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. PALLONE) who has been working on health care issues the entire time he has been in Congress.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman for yielding me the time and her remarks.

I listened to what the gentleman from Florida said, and I have to say, I know he is well-intentioned. I certainly do not mean to imply that he is not well-intentioned, but the problem is that the ideology of the Republicans is getting in the way of what works practically. I am afraid that the ideology, even though they may not intend it, ultimately, will destroy Medicare.

The gentleman from Florida talked about Lyndon Johnson and the origins of Medicare. I do not want to go through all that again, but we must remember that the reason that President Johnson and the Democrats primarily put Medicare into place in the sixties was because the private market did not work. Seniors were not able to go out and get insurance in the private market, and so that is why the government had to set up a program to insure the senior citizens. That is the bottom line. Practically speaking, I do not really have an ideology. I do not care if it is a government program versus a private program, but the bottom line is that the government program, the Medicare program, works and it works because you have this large pool that all the seniors are members of, and the private market has essentially told us in many cases that they are not going to provide the type of health insurance that many of the Republicans have talked about.

The gentleman says that Democrats are against HMOs. I do not have a problem with HMOs and managed care. He mentioned my home State of New Jersey. Sure, lots of seniors sign up for HMOs in New Jersey. But the problem is that the HMOs have increasingly dropped the seniors. Something like 80,000 to 100,000 New Jersey seniors in the last few years have been dropped by HMOs. All we are saying, as Democrats, is we do not want seniors to be forced into managed care, forced into HMOs in order to get a drug benefit. That is what the gentleman is doing. That is what the Republicans are doing with this bill. Essentially, the only way practically speaking that you are going to be able to get a drug benefit is if you join an HMO, and then you lose your choice of doctors. That is not fair.

If you really cared about Medicare, and you wanted to just expand it and include a prescription drug benefit to deal with preventive care, then all you have to do is what the Democrats have said all along, add the drug benefit to traditional Medicare. We have talked about that. We have said just like you have part B now for your doctor bills, where you pay about a $50 a month premium, you have a $100 deductible for your first doctor's visit and after that the Federal Government pays 80 percent of the cost and you pay 20 percent up to a certain amount when the Federal Government pays the whole thing. We advocated and we voted on a substitute to this awful Republican bill. We had a Democratic substitute that did exactly the same. You paid $25 a month, the first $100 deductible on your drug bills you have to pay, and after that 80 percent is paid for by the Federal Government, 20 percent by you, up to a certain amount, and then the Federal Government pays 100 percent. If you really liked traditional Medicare and wanted to keep it going the way it is, then you would not have any problem doing just that. Take whatever pot of money you have and add a prescription drug benefit to traditional Medicare. But that is not what you do. The Republicans basically want to privatize, and they force people to go into an HMO to get the drug benefit.

□ 1945

The gentlewoman's motion here is very simple. Basically, she is saying do not give extra money to the HMOs and the private insurers because we know that they cannot compete with the regular Medicare program. Do not give them the windfall and extra money in order to make them participate in this plan. Take that money and give it, as she said, to the doctors to increase their reimbursement rate. Whether we give it to the doctors or whomever we give it to, the bottom line is that we should not be giving windfall dollars to HMOs and private insurers so that they have extra money to compete with the traditional Medicare fee-for-service.

If my colleagues feel that there needs to be competition and that HMOs should be out there as an option, or other private insurance options should be out there, then let them compete in a traditional way. Do not give them all this extra money and say, Here is some extra money, so you come into the market, because then we do not have fair competition. We do not have fair competition at all. We are giving them extra money, and what we are going to ultimately do is to make it impossible for people to stay in traditional Medicare.

The thing that really bothers me the most is that they keep mentioning on the Republican side all the different groups that support this Republican Medicare bill. They mention AARP, they mention the AMA, they mention the drug companies, PhARMA or whatever. The reason that all these different groups support this bill is because they are all getting a piece of the action. In other words, the doctors are getting an increased reimbursement rate, so of course they think it is a great bill. AARP is an insurance company. They are going to sell insurance, so they think it is a great idea. And the drug companies love it because they have a clause in here that says that the Secretary of Health and Human Services, the Medicare administrator, cannot negotiate price reductions, so they are happy because they can continue to charge higher price, increasing prices.

So all these different special interest groups, they are all very happy; but the Medicare recipient, the senior, is the one that suffers because they are not being given an adequate benefit. Not only are you telling them that they have to join an HMO, but they are going to have to pay more out in their out-of-pocket in order to get any kind of drug benefit.

If we look at the way this thing is structured, the deductible is $275, not $100. 275. The cost sharing, basically the Federal Government pays 75 percent of the cost but only up to $2,200 a year. After that there is a doughnut hole and the senior has to pay out of pocket up to $5,044. So what we are going to see here with these seniors is there is no set premium. So the HMO is going to come in and say they are going to charge them, who knows, $75 a month, $80 a month. The sky is the limit. There is no set premium; 275 deductible, between $2,200 and $5,000 out of pocket. They get nothing from the Federal Government. There is no reason for anybody to sign up for this thing because they are not getting a benefit. They have to lose their choice of doctors. They get a lousy benefit that is not even worth having. Meanwhile, all the special interests, the HMOs, get all this windfall in terms of dollars.

Mr. GEORGE MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from California.

Mr. GEORGE MILLER of California. Mr. Speaker, the gentleman is correct here. Assuming the $35 premium, in fact, out of the first $5,000 of benefit, they have to pay $4,020 out of pocket.

Mr. PALLONE. Absolutely.

Mr. GEORGE MILLER of California. Mr. Speaker, I guess maybe some people in America think that is a drug benefit, but that is not going to provide. Out of the first $5,000, they pay $4,020 out of their pocket and they get $1,000 in benefit.

Mr. PALLONE. Right. Reclaiming my time, Mr. Speaker, that is assuming that the benefit is $35.

Mr. GEORGE MILLER of California. That is assuming it is $35, but nothing in the law requires it to be $35.

Mr. PALLONE. Absolutely not.

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

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, I thank the distinguished gentlewoman from Oregon for yielding me this time, and I appreciate her so very much for her bringing this motion.

It is most regrettable that we are in this dispute in the manner that we are because in many respects it comes from a lack of communication between the two respective sides.

Mr. Speaker, it gives me great pleasure to support the gentlewoman from Oregon's (Ms. HOOLEY) measure.

Since 1965 Medicare has been a vital instrument in ensuring quality health care to America's elderly and disabled. Like my friend from Florida, my mother is on Medicare, and like my friend from Florida, my mother is desperately ill. The real truth of the matter is if it were not for Medicare, I would not be able to sustain my mother's present care.

Medicare's 40 million beneficiaries use thousands of different health care products and services furnished by over 1 million providers in hundreds of markets nationwide. However, today a great number of people in this House seek to dismantle Medicare with a fool's gold of a bill titled the Medicare Prescription Drug and Modernization Act.

Despite my Democratic colleague's best efforts to make this an inclusive and comprehensive process, one that addresses the real concerns of America's seniors and disabled, we are shut out from negotiations. My friend on the other side from Florida, and he is my friend, may have seen this bill. But I serve on the Committee on Rules. We have not met on it for it has not been filed, and we will not see it until maybe an hour before we go to the Committee on Rules on this measure.

The bill does not ensure affordable prescription drugs because of the arbitrary budget cap pushed by the administration. H.R. 1 has high deductibles and does not guarantee an affordable premium. In addition, the Medicare Prescription Drug and Modernization Act creates large coverage gaps with many seniors being required to pay high premiums even when they do not receive benefits. Let me tell the Members about one guy that is from Myakka City, Florida, Mr. Coldao, a Vietnam veteran-turned-farmer who cannot afford health coverage and now faces losing the little that he has because drug companies flee rural areas in search of bigger profits.

Approving this bill may not guarantee a destitute future for those of us that are Members of Congress, but it will guarantee a destitute future for those seniors who do not and have not served in this body.

Mr. Speaker, simply put, this bill should be wrapped around a toilet paper holder and stuck in one of the Capitol's bathrooms. It is that bad. It is poison for this country. It stinks.

And now I want to tell my friend about this AARP. I am a member of that organization until yesterday. And

I did not go to AARP and burn my card. I sent to its director notice that I resigned, and let me tell the gentleman why. Because I never received a mumbling word from anybody at AARP asking me, one of the 35 million members, what I think about this particular measure. I did not receive a questionnaire from them, and I ask my friend from Florida, are all seniors being treated equally under the Republican plan that he has seen and Democrats have not? What are the effects on Medicaid in the State of Florida and in the State of Oregon and this Nation as it pertains to the poor? And most importantly, here come the baby boomers. Baby boomers, get ready. Get ready to go bust under this plan.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Of course I respect very much my colleague from Florida, and I appreciate his words tonight. I do want to at least add that at the current program we have on Medicare, just to correct any record, there is zero prescription drug coverage in Medicare. So for the very seniors they are talking about tonight, the veterans they are talking about tonight, citizens watching us tonight, they have zero coverage from Medicare for prescription drugs. Yes, there is a $275 deductible, and there is a monthly premium. The average American spends about $2,000 on drug costs annually. Under our plan they will probably save anywhere from $900 to $1,100 that will now be provided through Medicare to them. So anyone who is spending money on drugs today with this bill will have a benefit.

The drug discount card that I authored along with Senator HAGEL that is now part of this global bill includes for low-income families a $600 credit much like their ATM card that they can use at drug stores to not only achieve a discount off the retail price of the pharmaceutical but also have money to purchase and back up that purchase.

So, yes, I am pleased with the progress we are making. I am pleased that we have things in this bill to provide new remedies for situations for ailing seniors, and I am encouraged by the fact that we have been able to increase reimbursements to hospitals, increase reimbursements to physicians. We are able to do some of the diagnostic tests necessary to improve and enhance the quality of life. So I feel very comfortable, as we continue the debate, that more changes probably can be made if we deal in a constructive fashion.

Mr. PALLONE. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, again I have not seen the bill because it has not been given to the Democrats, but my understanding is that the Medicare program that the gentleman has talked about, the comprehensive program, is not effective until the year 2006.

Could the gentleman explain to me, if it is true that all these problems are out there and all these changes need to be made to Medicare, why the Republicans are going to wait until the year 2006 to have this program kick in?

Mr. FOLEY. Mr. Speaker, reclaiming my time, actually 6 months from enactment, we will start with a discount card that will provide an immediate $600 in the plan. A number of the wellness provisions we are talking about will become instantaneous, the increase to physicians, the increase to hospitals, the increase to managed care.

Mr. PALLONE. But generally, Mr. Speaker, it does not kick in until 2006.

Mr. FOLEY. Mr. Speaker, reclaiming my time, there will be a number of things that will take place up until 2006. The big fundamental prescription drug will be 2006, the gentleman is correct. Because we have to get plans up and running. We have to implement the delivery system. We have to get plans concurrent. We have to do the pharmacology. So there are a number of things that will require some time.

Mr. PALLONE. Mr. Speaker, the gentleman does not think that could be done by next year?

Mr. FOLEY. Maybe. That may be possible as we move forward. With some cooperation, we may be able to actually expedite the time frame. That is this gentleman's wish. The sooner, the better. But within 6 months of enactment, we will have the first phase of this. We will have a number of the components already implemented. As to the prescription drug plan, I think our leadership will move more quickly than 2006.

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

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 3½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank my colleague for yielding me this time and also for this motion to instruct and for her tremendous leadership on this issue.

This bill of course we have yet to see but have heard a lot about what will essentially privatize Medicare. Not only will the bill begin to dismantle a program that has worked for over 30 years; it does fatten the pockets of the pharmaceutical and the private insurance industry donors, leaves over 9 million rural Medicare beneficiaries with no access to affordable prescription drugs, and really does pit seniors one against the other based on their income through means testing.

I hope we say no to this Republican bill. Under this bill, Republicans have eliminated Federal Medicaid funding to fill in the gaps in the Medicare drug benefit, disproportionately affecting rural beneficiaries who are 20 percent more likely to have incomes below 150 percent of poverty level. This means that up to 1.7 million beneficiaries could have their current drug coverage reduced.

Under this bill new, untested private insurers are authorized to provide a prescription drug benefit. Under this bill Republicans cap Medicare spending for the traditional programs and also for private plans, of course shifting the greater risk and cost to our senior citizens. It does not make any sense to provide a $12 billion slush fund to keep private insurers in Medicare, which is really anticompetitive. It is costly and it is unfair to seniors.

□ 2000

Also, as I understand it, under this bill, Republicans leave seniors who spend between $2,200 and $3,500 for prescription drugs without any cost assistance or sharing for Medicare. And again, not having seen the bill, but from what we hear, under this bill, and of course the administration and the Republican leadership have weakened all of the measures to control the costs of these drugs; policies to promote access to generic drugs and reimportation of U.S.-made drugs which, of course, we passed in this House, those provisions have either been watered down or just totally disregarded.

To put it simply, a senior who receives $2,200 worth of drugs in a year will pay about $420 in premiums, $275 deductibles, and $481, which is about 25 percent of drug costs from $276 to $2,200. So the total cost is somewhere between $1,700 and $2,200 in drugs.

Also, with this gap or what we call the ''doughnut hole,'' the Republicans have left that in this bill, of course. Seniors whose drug costs fall above $2,200 and $3,500 will pay 100 percent of the cost. Seniors with $3,500 in annual drug costs will pay too much.

Mr. Speaker, this is really the beginning of the end of Medicare as we know it. This is an attempt really to dismantle Medicare. We cannot allow that. We must stand up for our constituents. We must stand up for our senior citizens and provide a prescription drug benefit which is helpful, not which is harmful. This bill is not comprehensive, I guess. I mean we have not seen it, but from what we hear, it is terrible and it is very incomplete.

So I think we need to be honest with our senior citizens. It does privatize Medicare. It does begin to dismantle Medicare. It is much too costly for our senior citizens to buy drugs which are already too expensive.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

It is almost comical on the floor for people who claim they have never seen this bill, they know every aspect of it and can criticize it with great flourish and abundance.

We just heard about the rural health care network, and I absolutely represent a lot of rural communities. Mr. Speaker, $30 billion additionally to fund rural health. Standardized amount for payments. A labor share to help with the labor index in rural communities. The disproportionate share program is increased in our bill. Low-

volume hospitals receive additional payments based on their discharges. Critical-access hospitals have additional benefits. A wage index. Graduate medical education programs. Sole-community hospitals qualify based on some data.

These are all incorporated in this new Medicare reform proposal that will benefit constituents in the gentlewoman from California's district.

Bonus payments for physician, an increased 5 percent add-on if you are in the rural component. Clinics pay separately for professional services. Rural health care clinics, federally qualified. Low-volume rural ambulance, targets higher payments for ambulances in rural communities. Home health care adds an additional 5 percent.

So these are all funded by our program, including community health centers.

Now, it came up about the $2,200, the doughnut that they continue to describe. The median recipient on Medicare uses approximately $2,000 annually in drug utilization costs. That is why we came up with the $2,200 to cover the majority of Americans. After $3,600 of drug expenditures, we then pick up 95 percent of the tab for the catastrophically ill.

Now, what the Democrats fail to continue to mention, and I wish they would put their price tag alongside their lofty ideas, is to give drugs to every senior in an unlimited amount without payment, without copayment, without deductible, would be about $900 billion, almost $1 trillion. Please, somebody on the other side, advise me where that money comes from, and I will be willing to listen to their proposal.

But in the abstract and failing to offer concrete solutions, they criticize a bill that has been worked on by the Committee on Ways and Means. They should contact some of their Democratic colleagues who serve on the committee with me. They are probably not happy with every aspect of the bill, but they have seen it. We have debated it. We have discussed it. This bill has been around for about 4½ years, no shocks, no nuances, no changes. It has all been part of the debate. Yes, they may object to portions of it, but to claim that somehow we just popped this bill up in the middle of the night belies the 4½ years I have been on the committee working on this and shows little of the knowledge of the very important components that provide relief to a number of their constituents, Democrat, Republican, and Independent alike.

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

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for offering this motion and for yielding me this time.

I just want to say, following up what my colleague, the gentleman from Florida (Mr. HASTINGS) said, and that is that unfortunately, we now see people who are offering themselves as so-called honest brokers who set up thresholds and tests as to whether this would be a good bill for senior citizens; whether or not this would provide the kind of drug benefit that senior citizens should have and that they need to match the cost of the drugs that they now have to pay the prices that they have to pay, we now see that that organization, AARP, was in the bag all of the time. They were not there representing their members, they were not there representing senior citizens; they were there representing themselves as an insurance company. Now, we see that under the provisions of the bill, they stand to do billions of dollars in business. They do about $100 million in business now, selling Medigap insurance policies, but now they want to get into the pharmaceutical business.

So they were not an objective observer of this process. They were not there as guardians; they were there as special interests with a special seat at the table. So special that the Republican administration gave them a number of contracts over the last couple of years from the Department of Labor and other agencies in this Federal Government, and now all of a sudden we find out they took a dive on the bill. They did not talk to their Members and say, what should we do. The beltway lobbyists, speaking from their own interests, made a decision to support this bill to the extent now that all day long we have been watching on the news as people have been turning in their membership in AARP, people have been resigning from the organization. I have a letter here from their legislative chairman in Raleigh, North Carolina who says that he is resigning because they were never asked about this. And the fact that they would support a bill as they understand it with the level of benefits, with the privatization of Medicare, they want out. They are resigning. That was supposedly the honest broker that was going between the sides and discussing the merits of this program.

This bill is one thing and one thing only: it is to provide protection to the big pharmaceutical industry. This bill does nothing about price. You can have your discount cards, but it is discounted off an inflated price, and it specifically prohibits the Secretary of Health and Human Services from negotiating price. When asked about why this is in the provision in a meeting today, one of the authors of the bill said because that is the way big PhRMA wanted it. Well, big PhRMA got their way and Mr. Middle America, they got hosed in this operation.

We cannot negotiate like Wal-Mart. We cannot negotiate like Costo. We cannot negotiate like the Veterans' Administration. No. They get to set the price and then somehow we are going to give you a discount off an inflated price. So they did not do anything about price there; all they did was protect the profits of the pharmaceutical industry, and if the seniors get a benefit, they will be lucky. Out of the first $5,000, they will pay $4,000. That is not the benefit that the AARP should be fighting for.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

I would just ask Members who are so comfortable with the insurance provided to them through Blue Cross Blue Shield, it is a PPO, it is made out to me, it is a government-wide benefit plan that has a retail pharmacy carrier; it has a mail order if I want; there is a customer service number; I can use it at most hospitals for admission and medical doctors. But surprisingly, it is not the Federal Government, it is Blue Cross and Blue Shield. So if this is so onerous and a disaster waiting to happen, then maybe my colleagues ought to turn in their card. I think they probably would not go without the coverage, and that is what my constituents have been asking for: give me what you have. Let me have choices. Let me have options. Let me decide for myself.

Now, they may be outraged at AARP, but up until last week they were always throwing it in our faces that this was the legitimate group that negotiated for seniors, and now all of a sudden they have racked up this alleged racketeering, mob-style pharmaceutical alliance with big PhRMA. It is just interesting, when they change their viewpoint and decide to support something we are doing, this is evil incarnate. A week ago they were the gold standard of senior care and consideration; today we are going to burn our cards.

So I ask my colleagues to be the judge: is it politics, or is it process? Is it results, or is it claiming credit? As a Member of the Committee on Ways and Means, yes, there is a lot more I would like to do to this bill. But part of the process I have learned is compromise, negotiation, and meaningful steps forward to make results achievable for citizens, the people that pay our salary that send us to work.

When I go home after reviewing this bill and looking at its contents, I know in my heart I can look at seniors, whether they live in Lake Worth, Port St. Lucie, Punta Gorda, Okeechobee; whether they are wealthy or poor, whatever their ethnic background, whatever their family composition, that I will be able to look them in the eye and say, this is a better program than it was last month and last year.

Mr. Speaker, with that I know the hour is late, and I sincerely appreciate, as I have worked with the gentlewoman from Oregon on a number of issues, and we care deeply about health care; we share common objectives and common goals. But I think the characterization of this bill is overstated in its demagoguery. I think if we look at what is being provided and the full range of services, people should come

away from this bill knowing this is an important, critical first step to providing prescription drug coverage for our seniors. Today, at this hour, seniors have absolutely zero coverage by the Federal Government for prescription drugs.

If there is any indication that what we are about to embark on by those who suggest this is not a benefit, then they have not read the calculation. Just do the math along with me. From $3,600 to $5,000, the example used by the gentleman from California, if you spent $5,000, you are only paying $900; well, do the math. From $3,600 to $5,000 is $1,400. Your obligation is a 5 percent copay of that. So it does not take rocket science to figure out that is $70. That means you have $1,330 of a benefit there alone. If you take the front end, if you take the front end and you look at the deductible and the $2,200 amount, you are talking about roughly $900 to $1,100. So if you add those two together, there is about $2,430 of benefit for a person that spends $5,000, not counting the $600 and the discount card, plus the discounts achieved. So if we reflect on all of those numbers and you hear these numbers thrown around, get out a calculator, we will supply the numbers. It is not that difficult.

My final statement will be to those who say our seniors do not understand enough of what they are doing to be able to figure these new processes or new bills out. Well, do my colleagues know what? The generation I am talking about managed their way through the depression, they survived World War II, they taught us how to ride our bikes and drive our cars. They raised us. They fought wars. They have been able to succeed in life on their own without the Federal Government dumbing them down and acting like they cannot make choices.

The Medicare bill we are about to bring to this floor represents significant, important, fundamental change. It represents increasing opportunity to gain wellness care. It represents prescription drug coverage for the first time in this Nation's history.

The Congress was controlled by the Democrats in 1965, when Medicare was introduced, to 1995 when the Republicans took over and, in that span of time, no prescription drugs were added. So I ask the basic question. I have been working on it since I came to Congress in 1995. We finally have a product on the floor in 2003, a lot later than I would have liked to, but under our majority, with President Bush and the Senate majority in Republican hands, we are about to embark on a wellness Medicare program for the 21st century.

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So I appreciate the time of the gentlewoman from Oregon (Ms. HOOLEY), and I appreciate the House's indulgence.

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

Ms. HOOLEY of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Florida (Mr. FOLEY) and I have worked on many issues together. I guess I would like to offer today to work on another issue. Oregon happens to be a very low reimbursement State because we have been very efficient in our health care. I am glad that Florida has a high reimbursement rate. I would just like to be there with them. And our State, because it is a low reimbursement State, I have areas in my district where doctors are filled. Because they lose money every time they take a Medicare patient, they do not want to take anymore. It is not because they do not want to provide the service; it is that they cannot afford to do it. They cannot afford to have 100 percent of their clients Medicare clients because, again, of the reimbursement level.

I urge my colleagues to vote for this motion to direct the millions that the House bill uses for privatization to improving Medicare payments for physicians. Physicians cannot deliver 21st-century medicine to our seniors with payment rates that do not cover the cost of their care.

My motion would address the concerns of doctors across the country and ensure that they are able to treat Medicare patients. Instead of putting the Medicare system in jeopardy through risky and untested privatization schemes, we should protect our constituents' access to care.

I urge my colleagues to support our doctors and their patients and to vote ''yes'' on the motion to instruct.

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

The SPEAKER pro tempore (Mr. HENSARLING). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Oregon (Ms. HOOLEY).

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

Ms. HOOLEY of Oregon. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CONFERENCE REPORT ON H.R. 2417, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mr. GOSS (during consideration of motion to instruct conferees on H.R. 1) submitted the following conference report and statement on the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 108–381)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2417), to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Intelligence Authorization Act for Fiscal Year 2004''.

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

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Intelligence Community Management Account.
Sec. 105. Office of Intelligence and Analysis of the Department of the Treasury.
Sec. 106. Incorporation of reporting requirements.
Sec. 107. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.

Subtitle B—Intelligence

Sec. 311. Authority of Federal Bureau of Investigation to award personal services contracts.
Sec. 312. Budget treatment of costs of acquisition of major systems by the intelligence community.
Sec. 313. Modification of sunset of application of sanctions laws to intelligence activities.
Sec. 314. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.
Sec. 315. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.
Sec. 316. Improvement of information sharing among Federal, State, and local government officials.
Sec. 317. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community.

Sec. 318. Pilot program on recruitment and training of intelligence analysts.
Sec. 319. Improvement of equality of employment opportunities in the intelligence community.
Sec. 320. Sense of Congress on recruitment as intelligence community personnel of members of the Armed Forces on their discharge or release from duty.
Sec. 321. External Collection Capabilities and Requirements Review Panel.

Subtitle C—Counterintelligence

Sec. 341. Counterintelligence initiatives for the intelligence community.

Subtitle D—Reports

Sec. 351. Report on cleared insider threat to classified computer networks.
Sec. 352. Report on security background investigations and security clearance procedures of the Federal Government.
Sec. 353. Report on detail of civilian intelligence personnel among elements of the intelligence community and the Department of Defense.
Sec. 354. Report on modifications of policy and law on classified information to facilitate sharing of information for national security purposes.
Sec. 355. Report on strategic planning.
Sec. 356. Report on United States dependence on computer hardware and software manufactured overseas.
Sec. 357. Report on lessons learned from military operations in Iraq.
Sec. 358. Reports on conventional weapons and ammunition obtained by Iraq in violation of certain United Nations Security Council resolutions.
Sec. 359. Report on operations of Directorate of Information Analysis and Infrastructure Protection and Terrorist Threat Integration Center.
Sec. 360. Report on Terrorist Screening Center.
Sec. 361. Repeal and modification of report requirements relating to intelligence activities.

Subtitle E—Other Matters

Sec. 371. Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office.
Sec. 372. Modifications of authorities on explosive materials.
Sec. 373. Modification of prohibition on the naturalization of certain persons.
Sec. 374. Modification to definition of financial institution in Right to Financial Privacy Act.
Sec. 375. Coordination of Federal Government research on security evaluations.
Sec. 376. Treatment of classified information in money laundering cases.
Sec. 377. Technical amendments.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Amendment to certain Central Intelligence Agency Act of 1949 notification requirements.
Sec. 402. Protection of certain Central Intelligence Agency personnel from tort liability.
Sec. 403. Repeal of obsolete limitation on use of funds in central services working capital fund.
Sec. 404. Purchases by Central Intelligence Agency of products of Federal Prison Industries.
Sec. 405. Postponement of Central Intelligence Agency compensation reform and other matters.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

Sec. 501. Protection of certain National Security Agency personnel from tort liability.
Sec. 502. Use of funds for counterdrug and counterterrorism activities for Colombia.
Sec. 503. Scene visualization technologies.
Sec. 504. Measurement and signatures intelligence research program.
Sec. 505. Availability of funds of National Security Agency for national security scholarships.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Department of Justice.
(10) The Federal Bureau of Investigation.
(11) The National Reconnaissance Office.
(12) The National Geospatial-Intelligence Agency.
(13) The Coast Guard.
(14) The Department of Homeland Security.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2004, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 2417 of the One Hundred Eighth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2004 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2004 the sum of $221,513,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for advanced research and development shall remain available until September 30, 2005.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 310 full-time personnel as of September 30, 2004. Personnel serving in such elements may be permanent employees of the Intelligence Community Management Account or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2004 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for research and development shall remain available until September 30, 2005.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2004, there are also authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2004 any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $47,142,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2005, and funds provided for procurement purposes shall remain available until September 30, 2006.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. OFFICE OF INTELLIGENCE AND ANALYSIS OF THE DEPARTMENT OF THE TREASURY.

(a) ESTABLISHMENT OF OFFICE.—(1) Chapter 3 of subtitle I of title 31, United States Code, is amended—

(A) by redesignating section 311 as section 312; and

(B) by inserting after section 310 the following:

"§311. Office of Intelligence and Analysis

''(a) ESTABLISHMENT.—There is established within the Department of the Treasury, the Office of Intelligence and Analysis (in this section referred to as the 'Office'), which shall—

''(1) be responsible for the receipt, analysis, collation, and dissemination of foreign intelligence and foreign counterintelligence information (within the meaning of section 3 of the National Security Act of 1947 (50 U.S.C. 401a)) related to the operation and responsibilities of the Department of the Treasury; and

''(2) have such other related duties and authorities as may be assigned to it by the Secretary, subject to the authority, direction, and control of the Secretary.

''(b) ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS.—The Office shall be headed by an Assistant Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Secretary shall report directly to the Undersecretary of the Treasury for Enforcement.''.

(2) The table of sections at the beginning of chapter 3 of such title is amended by striking the item relating to section 311 and inserting the following new items:

''311. Office of Intelligence and Analysis.
''312. Continuing in office.''.

(b) CONSTRUCTION OF AUTHORITY.—Nothing in section 311 of title 31, United States Code (as amended by subsection (a)), shall be construed to alter the authorities and responsibilities of the Director of Central Intelligence with respect to the Office of Intelligence and Analysis of the Department of the Treasury as an element of the intelligence community.

(c) CONSULTATION WITH DCI IN APPOINTMENT OF ASSISTANT SECRETARY.—Section 106(b)(2) of the National Security Act of 1947 (50 U.S.C. 403–6(b)(2)) is amended by adding at the end the following:

''(E) The Assistant Secretary for Intelligence and Analysis of the Department of the Treasury.''.

(d) CONFORMING AMENDMENTS.—

(1) NATIONAL SECURITY ACT.—Section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)) is amended—

(A) in subparagraph (H), by striking ''the Department of the Treasury,'';

(B) by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L), respectively; and

(C) by inserting after subparagraph (I) the following new subparagraph (J):

''(J) the Office of Intelligence and Analysis of the Department of the Treasury;''.

(2) TITLE 31.—Section 301(e) of title 31, United States Code, is amended by striking ''7'' and inserting ''8''.

(3) TITLE 5.—Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of the Treasury by striking ''(7)'' and inserting ''(8)''.

SEC. 106. INCORPORATION OF REPORTING REQUIREMENTS.

(a) IN GENERAL.—Each requirement to submit a report to the congressional intelligence committees that is included in the joint explanatory statement to accompany the conference report on the bill H.R. 2417 of the One Hundred Eighth Congress, or in the classified annex to this Act, is hereby incorporated into this Act, and is hereby made a requirement in law.

(b) CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.—In this section, the term ''congressional intelligence committees'' means—

(1) the Select Committee on Intelligence of the Senate; and

(2) the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 107. PREPARATION AND SUBMITTAL OF REPORTS, REVIEWS, STUDIES, AND PLANS RELATING TO INTELLIGENCE ACTIVITIES OF DEPARTMENT OF DEFENSE OR DEPARTMENT OF ENERGY.

(a) CONSULTATION IN PREPARATION.—(1) The Director of Central Intelligence shall ensure that any report, review, study, or plan required to be prepared or conducted by a provision of this Act, including a provision of the classified Schedule of Authorizations referred to in section 102(a) or the classified annex to this Act, that involves the intelligence or intelligence-related activities of the Department of Defense or the Department of Energy is prepared or conducted in consultation with the Secretary of Defense or the Secretary of Energy, as appropriate.

(2) The Secretary of Defense or the Secretary of Energy may carry out any consultation required by this subsection through an official of the Department of Defense or the Department of Energy, as the case may be, designated by such Secretary for that purpose.

(b) SUBMITTAL.—Any report, review, study, or plan referred to in subsection (a) shall be submitted, in addition to any other committee of Congress specified for submittal in the provision concerned, to the following committees of Congress:

(1) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

(2) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2004 the sum of $226,400,000.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

Subtitle B—Intelligence

SEC. 311. AUTHORITY OF FEDERAL BUREAU OF INVESTIGATION TO AWARD PERSONAL SERVICES CONTRACTS.

(a) AUTHORITY.—(1) Title III of the National Security Act of 1947 is amended by inserting after section 301 (50 U.S.C. 409a) the following new section:

''AUTHORITY OF FEDERAL BUREAU OF INVESTIGATION TO AWARD PERSONAL SERVICES CONTRACTS

''SEC. 302. (a) IN GENERAL.—The Director of the Federal Bureau of Investigation may enter into personal services contracts if the personal services to be provided under such contracts directly support the intelligence or counterintelligence missions of the Federal Bureau of Investigation.

''(b) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Contracts under subsection (a) shall not be subject to the annuity offset requirements of sections 8344 and 8468 of title 5, United States Code, the requirements of section 3109 of title 5, United States Code, or any law or regulation requiring competitive contracting.

''(c) CONTRACT TO BE APPROPRIATE MEANS OF SECURING SERVICES.—The Chief Contracting Officer of the Federal Bureau of Investigation shall ensure that each personal services contract entered into by the Director under this section is the appropriate means of securing the services to be provided under such contract.''.

(2) The table of contents for that Act is amended by inserting after the item relating to section 301 the following new item:

''Sec. 302. Authority of Federal Bureau of Investigation to award personal services contracts.''.

(b) REPORTS ON EXERCISE OF AUTHORITY.—(1) Not later than one year after the date of the enactment of this Act, and annually thereafter, the Director of the Federal Bureau of Investigation shall submit to the appropriate committees of Congress a report on the exercise of the authority in section 302 of the National Security Act of 1947, as added by subsection (a).

(2) Each report under this subsection shall include, for the one-year period ending on the date of such report, the following:

(A) The number of contracts entered into during the period.

(B) The cost of each such contract.

(C) The length of each such contract.

(D) The types of services to be provided under each such contract.

(E) The availability, if any, of United States Government personnel to perform functions similar to the services to be provided under each such contract.

(F) The efforts of the Federal Bureau of Investigation to fill available personnel vacancies, or request additional personnel positions, in areas relating to the intelligence or counterintelligence mission of the Bureau.

(3) Each report under this subsection shall be submitted in unclassified form, but may include a classified annex.

(4) In this subsection—

(A) for purposes of the submittal of the classified annex to any report under this subsection, the term ''appropriate committees of Congress'' means—

(i) the Select Committee on Intelligence of the Senate; and

(ii) the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) for purposes of the submittal of the unclassified portion of any report under this subsection, the term ''appropriate committees of Congress'' means—

(i) the committees specified in subparagraph (A);

(ii) the Committees on Appropriations, Governmental Affairs, and the Judiciary of the Senate; and

(iii) the Committees on Appropriations, Government Reform and Oversight, and the Judiciary of the House of Representatives.

SEC. 312. BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS BY THE INTELLIGENCE COMMUNITY.

(a) FINDINGS.—Congress makes the following findings:

(1) Funds within the National Foreign Intelligence Program often must be shifted from program to program and from fiscal year to fiscal year to address funding shortfalls caused by significant increases in the costs of acquisition of major systems by the intelligence community.

(2) While some increases in the costs of acquisition of major systems by the intelligence community are unavoidable, the magnitude of growth in the costs of acquisition of many major systems indicates a systemic bias within the intelligence community to underestimate the costs of such acquisition, particularly in the preliminary stages of development and production.

(3) Decisions by Congress to fund the acquisition of major systems by the intelligence community rely significantly upon initial estimates of the affordability of acquiring such major systems and occur within a context in which funds can be allocated for a variety of alternative programs. Thus, substantial increases in costs of acquisition of major systems place significant burdens on the availability of funds for other programs and new proposals within the National Foreign Intelligence Program.

(4) Independent cost estimates, prepared by independent offices, have historically represented a more accurate projection of the costs of acquisition of major systems.

(5) Recognizing the benefits associated with independent cost estimates for the acquisition of major systems, the Secretary of Defense has built upon the statutory requirement in section 2434 of title 10, United States Code, to develop and consider independent cost estimates for the acquisition of such systems by mandating the use of such estimates in budget requests of the Department of Defense.

(6) The mandatory use throughout the intelligence community of independent cost estimates for the acquisition of major systems will assist the President and Congress in the development and funding of budgets which more accurately reflect the requirements and priorities of the United States Government for intelligence and intelligence-related activities.

(b) BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS.—(1) Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is amended by inserting after section 506 the following new section:

''BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS BY THE INTELLIGENCE COMMUNITY

''SEC. 506A. (a) INDEPENDENT COST ESTIMATES.—(1) The Director of Central Intelligence shall, in consultation with the head of each element of the intelligence community concerned, prepare an independent cost estimate of the full life-cycle cost of development, procurement, and operation of each major system to be acquired by the intelligence community.

''(2) Each independent cost estimate for a major system shall, to the maximum extent practicable, specify the amount required to be appropriated and obligated to develop, procure, and operate the major system in each fiscal year of the proposed period of development, procurement, and operation of the major system.

''(3)(A) In the case of a program of the intelligence community that qualifies as a major system, an independent cost estimate shall be prepared before the submission to Congress of the budget of the President for the first fiscal year in which appropriated funds are anticipated to be obligated for the development or procurement of such major system.

''(B) In the case of a program of the intelligence community for which an independent cost estimate was not previously required to be prepared under this section, including a program for which development or procurement commenced before the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004, if the aggregate future costs of development or procurement (or any combination of such activities) of the program will exceed $500,000,000 (in current fiscal year dollars), the program shall qualify as a major system for purposes of this section, and an independent cost estimate for such major system shall be prepared before the submission to Congress of the budget of the President for the first fiscal year thereafter in which appropriated funds are anticipated to be obligated for such major system.

''(4) The independent cost estimate for a major system shall be updated upon—

''(A) the completion of any preliminary design review associated with the major system;

''(B) any significant modification to the anticipated design of the major system; or

''(C) any change in circumstances that renders the current independent cost estimate for the major system inaccurate.

''(5) Any update of an independent cost estimate for a major system under paragraph (4) shall meet all requirements for independent cost estimates under this section, and shall be treated as the most current independent cost estimate for the major system until further updated under that paragraph.

''(b) PREPARATION OF INDEPENDENT COST ESTIMATES.—(1) The Director shall establish within the Office of the Deputy Director of Central Intelligence for Community Management an office which shall be responsible for preparing independent cost estimates, and any updates thereof, under subsection (a), unless a designation is made under paragraph (2).

''(2) In the case of the acquisition of a major system for an element of the intelligence community within the Department of Defense, the Director and the Secretary of Defense shall provide that the independent cost estimate, and any updates thereof, under subsection (a) be prepared by an entity jointly designated by the Director and the Secretary in accordance with section 2434(b)(1)(A) of title 10, United States Code.

''(c) UTILIZATION IN BUDGETS OF PRESIDENT.—(1) If the budget of the President requests appropriations for any fiscal year for the development or procurement of a major system by the intelligence community, the President shall, subject to paragraph (2), request in such budget an amount of appropriations for the development or procurement, as the case may be, of the major system that is equivalent to the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget.

''(2) If the amount of appropriations requested in the budget of the President for the development or procurement of a major system is less than the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget, the President shall include in the budget justification materials submitted to Congress in support of such budget—

''(A) an explanation for the difference between the amount of appropriations requested and the amount of appropriations identified in the most current independent cost estimate;

''(B) a description of the importance of the major system to the national security;

''(C) an assessment of the consequences for the funding of all programs of the National Foreign Intelligence Program in future fiscal years if the most current independent cost estimate for the major system is accurate and additional appropriations are required in future fiscal years to ensure the continued development or procurement of the major system, including the consequences of such funding shortfalls on the major system and all other programs of the National Foreign Intelligence Program; and

''(D) such other information on the funding of the major system as the President considers appropriate.

''(d) INCLUSION OF ESTIMATES IN BUDGET JUSTIFICATION MATERIALS.—The budget justification materials submitted to Congress in support of the budget of the President shall include the most current independent cost estimate under this section for each major system for which appropriations are requested in such budget for any fiscal year.

''(e) DEFINITIONS.—In this section:

''(1) The term 'budget of the President' means the budget of the President for a fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code.

''(2) The term 'independent cost estimate' means a pragmatic and neutral analysis, assessment, and quantification of all costs and risks associated with the acquisition of a major system, which shall be based on programmatic and technical specifications provided by the office within the element of the intelligence community with primary responsibility for the development, procurement, or operation of the major system.

''(3) The term 'major system' means any significant program of an element of the intelligence community with projected total development and procurement costs exceeding $500,000,000 (in current fiscal year dollars), which costs shall include all end-to-end program costs, including costs associated with the development and procurement of the program and any other costs associated with the development and procurement of systems required to support or utilize the program.''.

(2) The table of contents for the National Security Act of 1947 is amended by inserting after the item relating to section 506 the following new item:

''Sec. 506A. Budget treatment of costs of acquisition of major systems by the intelligence community.''.

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

(d) LIMITATIONS.—(1)(A) For each major system for which funds have been authorized for a fiscal year before fiscal year 2005, or for which funds are sought in the budget of the President for fiscal year 2005, as submitted to Congress pursuant to section 1105(a) of title 31, United States Code, and for which no independent cost estimate has been provided to Congress, no contract, or option to contract, for the procurement or acquisition of such major system may be entered into, or option to contract be exercised, before the date of the enactment of an Act to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government.

(B) Subparagraph (A) shall not affect any contract for procurement or acquisition that was entered into before the date of the enactment of this Act.

(2) Commencing as of the date of the submittal to Congress of the budget of the President for fiscal year 2006 pursuant to section 1105(a) of title 31, United States Code, no funds may be obligated or expended for the development or procurement of a major system until the President has complied with the requirements of section 506A of the National Security Act of 1947 (as added by subsection (b)) with respect to such major system.

(3) In this subsection, the terms ''independent cost estimate'' and ''major system'' have the meaning given such terms in subsection (e) of section 506A of the National Security Act of 1947 (as so added).

SEC. 313. MODIFICATION OF SUNSET OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

(a) MODIFICATION.—Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is repealed.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by striking the item relating to section 905.

SEC. 314. MODIFICATION OF NOTICE AND WAIT REQUIREMENTS ON PROJECTS TO CONSTRUCT OR IMPROVE INTELLIGENCE COMMUNITY FACILITIES.

(a) INCREASE OF THRESHOLDS FOR NOTICE.—Subsection (a) of section 602 of the Intelligence Authorization Act for Fiscal Year 1995 (Public Law 103–359; 108 Stat. 3432; 50 U.S.C. 403–2b(a)) is amended—

(1) by striking ''$750,000'' each place it appears and inserting ''$5,000,000''; and

(2) by striking ''$500,000'' each place it appears and inserting ''$1,000,000''.

(b) NOTICE AND WAIT REQUIREMENTS FOR EMERGENCY PROJECTS.—Subsection (b)(2) of that section is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting ''(A)'' after ''(2) REPORT.—'';

(3) by striking ''21-day period'' and inserting ''7-day period''; and

(4) by adding at the end the following new subparagraph:

''(B) Notwithstanding subparagraph (A), a project referred to in paragraph (1) may begin on the date the notification is received by the appropriate committees of Congress under that paragraph if the Director of Central Intelligence and the Secretary of Defense jointly determine that—

''(i) an emergency exists with respect to the national security or the protection of health, safety, or environmental quality; and

''(ii) any delay in the commencement of the project would harm any or all of those interests.''.

SEC. 315. EXTENSION OF DEADLINE FOR FINAL REPORT OF THE NATIONAL COMMISSION FOR THE REVIEW OF THE RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Subsection (a) of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 50 U.S.C. 401 note; 116 Stat. 2442) is amended by striking ''September 1, 2003'' and inserting ''September 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003.

SEC. 316. IMPROVEMENT OF INFORMATION SHARING AMONG FEDERAL, STATE, AND LOCAL GOVERNMENT OFFICIALS.

(a) TRAINING PROGRAM FOR STATE AND LOCAL OFFICIALS.—Section 892(c) of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 482) is amended by adding at the end the following new paragraph:

''(3)(A) The Secretary shall establish a program to provide appropriate training to officials described in subparagraph (B) in order to assist such officials in—

''(i) identifying sources of potential terrorist threats through such methods as the Secretary determines appropriate;

''(ii) reporting information relating to such potential terrorist threats to the appropriate Federal agencies in the appropriate form and manner;

''(iii) assuring that all reported information is systematically submitted to and passed on by the Department for use by appropriate Federal agencies; and

''(iv) understanding the mission and roles of the intelligence community to promote more effective information sharing among Federal, State, and local officials and representatives of the private sector to prevent terrorist attacks against the United States.

''(B) The officials referred to in subparagraph (A) are officials of State and local government agencies and representatives of private sector entities with responsibilities relating to the oversight and management of first responders, counterterrorism activities, or critical infrastructure.

''(C) The Secretary shall consult with the Attorney General to ensure that the training program established in subparagraph (A) does not duplicate the training program established in section 908 of the USA PATRIOT Act (Public Law 107–56; 28 U.S.C. 509 note).

''(D) The Secretary shall carry out this paragraph in consultation with the Director of Central Intelligence and the Attorney General.''.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit to Congress a report that describes the Secretary's plan for implementing section 892 of the Homeland Security Act of 2002 and includes an estimated date of completion of the implementation.

SEC. 317. PILOT PROGRAM ON ANALYSIS OF SIGNALS AND OTHER INTELLIGENCE BY INTELLIGENCE ANALYSTS OF VARIOUS ELEMENTS OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—The Director of Central Intelligence shall, in coordination with the Secretary of Defense, carry out a pilot program to assess the feasibility and advisability of permitting intelligence analysts of various elements of the intelligence community to access and analyze intelligence from the databases of other elements of the intelligence community in order to achieve the objectives set forth in subsection (c).

(b) COVERED INTELLIGENCE.—The intelligence to be analyzed under the pilot program under subsection (a) shall include the following:

(1) Signals intelligence of the National Security Agency.

(2) Such intelligence of other elements of the intelligence community as the Director shall select for purposes of the pilot program.

(c) OBJECTIVES.—The objectives set forth in this subsection are as follows:

(1) To enhance the capacity of the intelligence community to undertake ''all source fusion'' analysis in support of the intelligence and intelligence-related missions of the intelligence community.

(2) To reduce, to the extent possible, the amount of intelligence collected by the intelligence community that is not assessed, or reviewed, by intelligence analysts.

(3) To reduce the burdens imposed on analytical personnel of the elements of the intelligence community by current practices regarding the sharing of intelligence among elements of the intelligence community.

(d) COMMENCEMENT.—The Director shall commence the pilot program under subsection (a) not later than December 31, 2003.

(e) VARIOUS MECHANISMS REQUIRED.—In carrying out the pilot program under subsection (a), the Director shall develop and utilize various mechanisms to facilitate the access to, and the analysis of, intelligence in the databases of the intelligence community by intelligence analysts of other elements of the intelligence community, including the use of so-called ''detailees in place''.

(f) SECURITY.—(1) In carrying out the pilot program under subsection (a), the Director shall take appropriate actions to protect against the disclosure and unauthorized use of intelligence in the databases of the elements of the intelligence community which may endanger sources and methods which (as determined by the Director) warrant protection.

(2) The actions taken under paragraph (1) shall include the provision of training on the accessing and handling of information in the databases of various elements of the intelligence community and the establishment of limitations on access to information in such databases regarding United States persons.

(g) ASSESSMENT.—Not later than February 1, 2004, after the commencement under subsection (d) of the pilot program under subsection (a), the Under Secretary of Defense for Intelligence and the Assistant Director of Central Intelligence for Analysis and Production shall jointly carry out an assessment of the progress of the pilot program in meeting the objectives set forth in subsection (c).

(h) REPORT.—(1) The Director of Central Intelligence shall, in coordination with the Secretary of Defense, submit to the appropriate committees of Congress a report on the assessment carried out under subsection (g).

(2) The report shall include—

(A) a description of the pilot program under subsection (a);

(B) the findings of the Under Secretary and Assistant Director as a result of the assessment;

(C) any recommendations regarding the pilot program that the Under Secretary and the Assistant Director jointly consider appropriate in light of the assessment; and

(D) any recommendations that the Director and Secretary consider appropriate for purposes of the report.

(i) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

SEC. 318. PILOT PROGRAM ON RECRUITMENT AND TRAINING OF INTELLIGENCE ANALYSTS.

(a) PILOT PROGRAM.—(1) The Director of Central Intelligence shall carry out a pilot program to ensure that selected students or former students are provided funds to continue academic training, or are reimbursed for academic training previously obtained, in areas of specialization that the Director, in consultation with the other heads of the elements of the intelligence community, identifies as areas in which the current analytic capabilities of the intelligence community are deficient or in which future analytic capabilities of the intelligence community are likely to be deficient.

(2) A student or former student selected for participation in the pilot program shall commit to employment with an element of the intelligence community, following completion of appropriate academic training, under such terms and conditions as the Director considers appropriate.

(3) The pilot program shall be known as the Pat Roberts Intelligence Scholars Program.

(b) ELEMENTS.—In carrying out the pilot program under subsection (a), the Director shall—

(1) establish such requirements relating to the academic training of participants as the Director considers appropriate to ensure that participants are prepared for employment as intelligence analysts; and

(2) periodically review the areas of specialization of the elements of the intelligence community to determine the areas in which such elements are, or are likely to be, deficient in analytic capabilities.

(c) DURATION.—The Director shall carry out the pilot program under subsection (a) during fiscal years 2004 through 2006.

(d) LIMITATION ON NUMBER OF MEMBERS DURING FISCAL YEAR 2004.—The total number of individuals participating in the pilot program under subsection (a) during fiscal year 2004 may not exceed 150 students.

(e) RESPONSIBILITY.—The Director shall carry out the pilot program under subsection (a) through the Assistant Director of Central Intelligence for Analysis and Production.

(f) REPORTS.—(1) Not later than 120 days after the date of the enactment of this Act, the Director shall submit to Congress a preliminary report on the pilot program under subsection (a), including a description of the pilot program and the authorities to be utilized in carrying out the pilot program.

(2) Not later than one year after the commencement of the pilot program, the Director shall submit to Congress a report on the pilot program. The report shall include—

(A) a description of the activities under the pilot program, including the number of individuals who participated in the pilot program and the training provided such individuals under the pilot program;

(B) an assessment of the effectiveness of the pilot program in meeting the purpose of the pilot program; and

(C) any recommendations for additional legislative or administrative action that the Director considers appropriate in light of the pilot program.

(g) FUNDING.—Of the amounts authorized to be appropriated by this Act, $4,000,000 shall be available until expended to carry out this section.

SEC. 319. IMPROVEMENT OF EQUALITY OF EMPLOYMENT OPPORTUNITIES IN THE INTELLIGENCE COMMUNITY.

(a) FINDINGS.—Congress makes the following findings:

(1) It is the recommendation of the Joint Inquiry of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001, that the Intelligence Community should enhance recruitment of a

more ethnically and culturally diverse workforce and devise a strategy to capitalize upon the unique cultural and linguistic capabilities of first generation Americans.

(2) The Intelligence Community could greatly benefit from an increased number of employees who are proficient in foreign languages and knowledgeable of world cultures, especially in foreign languages that are critical to the national security interests of the United States. Particular emphasis should be given to the recruitment of United States citizens whose linguistic capabilities are acutely required for the improvement of the overall intelligence collection and analysis effort of the United States Government.

(3) The Intelligence Community has a significantly lower percentage of women and minorities than the total workforce of the Federal government and the total civilian labor force.

(4) Women and minorities continue to be under-represented in senior grade levels, and in core mission areas, of the intelligence community.

(b) PILOT PROJECT TO PROMOTE EQUALITY OF EMPLOYMENT OPPORTUNITIES FOR WOMEN AND MINORITIES THROUGHOUT THE INTELLIGENCE COMMUNITY USING INNOVATIVE METHODOLOGIES.—The Director of Central Intelligence shall carry out a pilot project under this section to test and evaluate alternative, innovative methods to promote equality of employment opportunities in the intelligence community for women, minorities, and individuals with diverse ethnic and cultural backgrounds, skills, language proficiency, and expertise.

(c) METHODS.—In carrying out the pilot project, the Director shall employ methods to increase diversity of officers and employees in the intelligence community.

(d) DURATION OF PROJECT.—The Director shall carry out the project under this section for a 3-year period.

(e) REPORT.—Not later than 2 years after the date the Director implements the pilot project under this section, the Director shall submit to Congress a report on the project. The report shall include—

(1) an assessment of the effectiveness of the project; and

(2) recommendations on the continuation of the project, as well recommendations as for improving the effectiveness of the project in meeting the goals of promoting equality of employment opportunities in the intelligence community for women, minorities, and individuals with diverse ethnic and cultural backgrounds, skills, language proficiency, and expertise.

(f) DIVERSITY PLAN.—(1) Not later than February 15, 2004, the Director of Central Intelligence shall submit to Congress a report which describes the plan of the Director, entitled the ''DCI Diversity Strategic Plan'', and any subsequent revision to that plan, to increase diversity of officers and employees in the intelligence community, including the short- and long-term goals of the plan. The report shall also provide a detailed description of the progress that has been made by each element of the intelligence community in implementing the plan.

(2) In implementing the plan, the Director shall incorporate innovative methods for recruitment and hiring that the Director has determined to be effective from the pilot project carried out under this section.

(g) INTELLIGENCE COMMUNITY DEFINED.—In this section, the term ''intelligence community'' has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4)).

SEC. 320. SENSE OF CONGRESS ON RECRUITMENT AS INTELLIGENCE COMMUNITY PERSONNEL OF MEMBERS OF THE ARMED FORCES ON THEIR DISCHARGE OR RELEASE FROM DUTY.

It is the sense of Congress that the elements of the intelligence community should, in the course of their civilian recruitment efforts in the United States, endeavor to recruit as personnel of the intelligence community citizens and, as appropriate, nationals of the United States who are members of the Armed Forces who participated in Operation Enduring Freedom, Operation Iraqi Freedom, and other campaigns undertaken abroad upon the separation, discharge, or release of such individuals from the Armed Forces.

SEC. 321. EXTERNAL COLLECTION CAPABILITIES AND REQUIREMENTS REVIEW PANEL.

The President may establish an External Collection Capabilities and Requirements Review Panel as specified in the classified annex to this Act.

Subtitle C—Counterintelligence

SEC. 341. COUNTERINTELLIGENCE INITIATIVES FOR THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—(1) Title XI of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

''COUNTERINTELLIGENCE INITIATIVES

''SEC. 1102. (a) INSPECTION PROCESS.—(1) In order to protect intelligence sources and methods from unauthorized disclosure, the Director of Central Intelligence shall establish and implement an inspection process for all agencies and departments of the United States that handle classified information relating to the national security of the United States intended to assure that those agencies and departments maintain effective operational security practices and programs directed against counterintelligence activities.

''(2) The Director shall carry out the process through the Office of the National Counterintelligence Executive.

''(b) ANNUAL REVIEW OF DISSEMINATION LISTS.—(1) The Director of Central Intelligence shall establish and implement a process for all elements of the intelligence community to review, on an annual basis, individuals included on distribution lists for access to classified information. Such process shall ensure that only individuals who have a particularized 'need to know' (as determined by the Director) are continued on such distribution lists.

''(2) Not later than October 15 of each year, the Director shall certify to the congressional intelligence committees that the review required under paragraph (1) has been conducted in all elements of the intelligence community during the preceding fiscal year.

''(c) COMPLETION OF FINANCIAL DISCLOSURE STATEMENTS REQUIRED FOR ACCESS TO CERTAIN CLASSIFIED INFORMATION.—(1) The Director of Central Intelligence shall establish and implement a process by which each head of an element of the intelligence community directs that all employees of that element, in order to be granted access to classified information referred to in subsection (a) of section 1.3 of Executive Order No. 12968 (August 2, 1995; 60 F.R. 40245; 50 U.S.C. 435 note), submit financial disclosure forms as required under subsection (b) of such section.

''(2) The Director shall carry out paragraph (1) through the Office of the National Counterintelligence Executive.

''(d) ARRANGEMENTS TO HANDLE SENSITIVE INFORMATION.—The Director of Central Intelligence shall establish, for all elements of the intelligence community, programs and procedures by which sensitive classified information relating to human intelligence is safeguarded against unauthorized disclosure by employees of those elements.''.

(2) The table of contents contained in the first section of such Act is amended in the items relating to title XI by adding at the end the following new item:

''Sec. 1102. Counterintelligence initiatives.''.

(b) INTELLIGENCE AND NATIONAL SECURITY ASPECTS OF ESPIONAGE PROSECUTIONS.—The Attorney General, acting through the Office of Intelligence Policy and Review of the Department of Justice, and in consultation with the Director of Central Intelligence, acting through the Office of the National Counterintelligence Executive, shall establish policies and procedures to assist the Attorney General in the consideration of intelligence and national security-related equities in the development of charging documents and related pleadings in espionage prosecutions.

Subtitle D—Reports

SEC. 351. REPORT ON CLEARED INSIDER THREAT TO CLASSIFIED COMPUTER NETWORKS.

(a) REPORT REQUIRED.—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the risks to the national security of the United States of the current computer security practices of the elements of the intelligence community and of the Department of Defense.

(b) ASSESSMENTS.—The report under subsection (a) shall include an assessment of the following:

(1) The vulnerability of the computers and computer systems of the elements of the intelligence community, and of the Department of Defense, to various threats from foreign governments, international terrorist organizations, and organized crime, including information warfare (IW), Information Operations (IO), Computer Network Exploitation (CNE), and Computer Network Attack (CNA).

(2) The risks of providing users of local area networks (LANs) or wide-area networks (WANs) of computers that include classified information with capabilities for electronic mail, upload and download, or removable storage media without also deploying comprehensive computer firewalls, accountability procedures, or other appropriate security controls.

(3) Any other matters that the Director and the Secretary jointly consider appropriate for purposes of the report.

(c) INFORMATION ON ACCESS TO NETWORKS.—The report under subsection (a) shall also include information as follows:

(1) An estimate of the number of access points on each classified computer or computer system of an element of the intelligence community or the Department of Defense that permit unsupervised uploading or downloading of classified information, set forth by level of classification.

(2) An estimate of the number of individuals utilizing such computers or computer systems who have access to input-output devices on such computers or computer systems.

(3) A description of the policies and procedures governing the security of the access points referred to in paragraph (1), and an assessment of the adequacy of such policies and procedures.

(4) An assessment of the viability of utilizing other technologies (including so-called ''thin client servers'') to achieve enhanced security of such computers and computer systems through more rigorous control of access to such computers and computer systems.

(d) RECOMMENDATIONS.—The report under subsection (a) shall also include such recommendations for modifications or improvements of the current computer security practices of the elements of the intelligence community, and of the Department of Defense, as the Director and the Secretary jointly consider appropriate as a result of the assessments under subsection (b) and the information under subsection (c).

(e) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(f) FORM.—The report under subsection (a) may be submitted in classified or unclassified form, at the election of the Director.

(g) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

(2) The term ''elements of the intelligence community'' means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 352. REPORT ON SECURITY BACKGROUND INVESTIGATIONS AND SECURITY CLEARANCE PROCEDURES OF THE FEDERAL GOVERNMENT.

(a) REPORT REQUIRED.—The Director of Central Intelligence, the Secretary of Defense, the Attorney General, the Director of the Office of Personnel Management, and the heads of other appropriate Federal departments and agencies (as determined by the President) shall jointly submit to the appropriate committees of Congress a report on the utility and effectiveness of the current security background investigations and security clearance procedures of the Federal Government in meeting the purposes of such investigations and procedures.

(b) PARTICULAR REPORT MATTERS.—The report shall address in particular the following:

(1) A comparison of the costs and benefits of conducting background investigations for Secret clearance with the costs and benefits of conducting full field background investigations.

(2) The standards governing the revocation of security clearances.

(c) RECOMMENDATIONS.—The report under subsection (a) shall include such recommendations for modifications or improvements of the current security background investigations or security clearance procedures of the Federal Government as are considered appropriate as a result of the preparation of the report under that subsection.

(d) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 353. REPORT ON DETAIL OF CIVILIAN INTELLIGENCE PERSONNEL AMONG ELEMENTS OF THE INTELLIGENCE COMMUNITY AND THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—The Director of Central Intelligence shall, in consultation with the heads of the elements of the intelligence community, submit to the appropriate committees of Congress a report on means of improving the detail or transfer of civilian intelligence personnel between and among the various elements of the intelligence community for the purpose of enhancing the flexibility and effectiveness of the intelligence community in responding to changes in requirements for the collection, analysis, and dissemination of intelligence.

(b) REPORT ELEMENTS.—The report under subsection (a) shall—

(1) set forth a variety of proposals on means of improving the detail or transfer of civilian intelligence personnel as described in that subsection;

(2) identify the proposal or proposals determined by the heads of the elements of the intelligence community most likely to meet the purpose described in that subsection; and

(3) include such recommendations for such legislative or administrative action as the heads of the elements of the intelligence community consider appropriate to implement the proposal or proposals identified under paragraph (2).

(c) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(d) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Select Committee on Intelligence and the Committees on Armed Services, Governmental Affairs, and the Judiciary of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committees on Armed Services, Government Reform, and the Judiciary of the House of Representatives.

(2) The term ''elements of the intelligence community'' means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(3) The term ''heads of the elements of the intelligence community'' includes the Secretary of Defense with respect to each element of the intelligence community within the Department of Defense or the military departments.

SEC. 354. REPORT ON MODIFICATIONS OF POLICY AND LAW ON CLASSIFIED INFORMATION TO FACILITATE SHARING OF INFORMATION FOR NATIONAL SECURITY PURPOSES.

(a) REPORT.—Not later than four months after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress a report that—

(1) identifies impediments in current policy and regulations to the sharing of classified information horizontally across and among Federal departments and agencies, and vertically between the Federal Government and agencies of State and local governments and the private sector, for national security purposes, including homeland security; and

(2) proposes appropriate modifications of policy, law, and regulations to eliminate such impediments in order to facilitate such sharing of classified information for national security purposes, including homeland security.

(b) CONSIDERATIONS.—In preparing the report under subsection (a), the President shall—

(1) consider the extent to which the reliance on a document-based approach to the protection of classified information impedes the sharing of classified information; and

(2) consider the extent to which the utilization of a database-based approach, or other electronic approach, to the protection of classified information might facilitate the sharing of classified information.

(c) COORDINATION WITH OTHER INFORMATION SHARING ACTIVITIES.—In preparing the report under subsection (a), the President shall, to the maximum extent practicable, take into account actions being undertaken under the Homeland Security Information Sharing Act (subtitle I of title VIII of Public Law 107–296; 116 Stat. 2252; 6 U.S.C. 481 et seq.).

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence and the Committees on Armed Services, Governmental Affairs, and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 355. REPORT ON STRATEGIC PLANNING.

(a) REPORT.—Not later than February 15, 2004, the Secretary of Defense and the Director of Central Intelligence shall jointly submit to the appropriate committees of Congress a report that assesses progress in the following:

(1) The development by the Department of Defense and the intelligence community of a comprehensive and uniform analytical capability to assess the utility and advisability of various sensor and platform architectures and capabilities for the collection of intelligence.

(2) The improvement of coordination between the Department and the intelligence community on strategic and budgetary planning.

(b) FORM.—The report under subsection (a) may be submitted in classified form.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 356. REPORT ON UNITED STATES DEPENDENCE ON COMPUTER HARDWARE AND SOFTWARE MANUFACTURED OVERSEAS.

(a) REPORT.—Not later than February 15, 2004, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the extent of United States dependence on computer hardware or software that is manufactured overseas.

(b) ELEMENTS.—The report under subsection (a) shall address the following:

(1) The extent to which the United States currently depends on computer hardware or software that is manufactured overseas.

(2) The extent to which United States dependence, if any, on such computer hardware or software is increasing.

(3) The vulnerabilities of the national security and economy of the United States as a result of United States dependence, if any, on such computer hardware or software.

(4) Any other matters relating to United States dependence, if any, on such computer hardware or software that the Director considers appropriate.

(c) CONSULTATION WITH PRIVATE SECTOR.—(1) In preparing the report under subsection (a), the Director may consult, and is encouraged to consult, with appropriate persons and entities in the computer hardware or software industry and with other appropriate persons and entities in the private sector.

(2) Consultations of the Director with persons or entities under paragraph (1) shall not be treated as the activities of an advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).

(d) FORM.—(1) The report under subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(2) The report may be in the form of a National Intelligence Estimate.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 357. REPORT ON LESSONS LEARNED FROM MILITARY OPERATIONS IN IRAQ.

(a) REPORT.—As soon as possible, but not later than one year after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the intelligence lessons learned as a result of Operation Iraqi Freedom, including lessons relating to the following:

(1) The tasking, collection, processing, exploitation, analysis, and dissemination of intelligence.

(2) The accuracy, timeliness, and objectivity of intelligence analysis.

(3) The intelligence support available to policymakers and members of the Armed Forces in combat.

(4) The coordination of intelligence activities and operations with military operations.

(5) The strengths and limitations of intelligence systems and equipment.

(6) Such other matters as the Director considers appropriate.

(b) RECOMMENDATIONS.—The report under subsection (a) shall include such recommendations on improvement in the matters described in subsection (a) as the Director considers appropriate.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives; and

(2) the Select Committee on Intelligence and the Committee on Armed Services of the Senate.

SEC. 358. REPORTS ON CONVENTIONAL WEAPONS AND AMMUNITION OBTAINED BY IRAQ IN VIOLATION OF CERTAIN UNITED NATIONS SECURITY COUNCIL RESOLUTIONS.

(a) PRELIMINARY REPORT.—Not later than 90 days after the date of the enactment of this Act, the Director of the Defense Intelligence Agency shall, after such consultation with the Secretary of State and the Attorney General as the Director considers appropriate, submit to the appropriate committees of Congress a preliminary report on all information obtained by the Department of Defense and the intelligence community on the conventional weapons and ammunition obtained by Iraq in violation of applicable resolutions of the United Nations Security Council adopted since the invasion of Kuwait by Iraq in August 1990.

(b) FINAL REPORT.—(1) Not later than one year after the date of the enactment of this Act, the Director shall submit to the appropriate committees of Congress a final report on the information described in subsection (a).

(2) The final report under paragraph (1) shall include such updates of the preliminary report under subsection (a) as the Director considers appropriate.

(c) ELEMENTS.—Each report under this section shall set forth, to the extent practicable, with respect to each shipment of weapons or ammunition addressed in such report the following:

(1) The country of origin.

(2) Any country of transshipment.

(d) FORM.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 359. REPORT ON OPERATIONS OF DIRECTORATE OF INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION AND TERRORIST THREAT INTEGRATION CENTER.

(a) REPORT REQUIRED.—The President shall submit to the appropriate committees of Congress a report on the operations of the Directorate of Information Analysis and Infrastructure Protection of the Department of Homeland Security and the Terrorist Threat Integration Center. The report shall include the following:

(1) An assessment of the operations of the Directorate and the Center, including the capabilities of each—

(A) to meet personnel requirements, including requirements to employ qualified analysts, and the status of efforts to employ qualified analysts;

(B) to share intelligence information with the other elements of the intelligence community, including the sharing of intelligence information through secure information technology connections between the Directorate, the Center, and the other elements of the intelligence community;

(C) to disseminate intelligence information, or analyses of intelligence information, to other departments and agencies of the Federal Government and, as appropriate, to State and local governments;

(D) to coordinate with State and local counterterrorism and law enforcement officials;

(E) to receive information from Federal, State, and local officials, and private sector entities, relating to the respective responsibilities and authorities of the Directorate and the Center; and

(F) to access information, including intelligence and law enforcement information, from the departments and agencies of the Federal Government, including the ability of the Directorate to access, in a timely and efficient manner, all information authorized by section 202 of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 122).

(2) An assessment of the ability of the Center to fulfill the responsibilities assigned to it by the President given its structure, authorities, current assets, and capabilities.

(3) An assessment of the ability of the Directorate to fulfill the responsibilities set forth in section 201 of the Homeland Security Act of 2002 (6 U.S.C. 121) given its current assets and capabilities.

(4) A plan of action (including appropriate milestones, funding, and sources of funding) for bringing the Center to its full operational capacity as called for in the Information on the State of the Union given by the President to Congress under section 3 of Article II of the Constitution of the United States in 2003.

(5) A delineation of the responsibilities and duties of the Directorate and of the responsibilities and duties of the Center.

(6) A delineation and summary of the areas in which the responsibilities and duties of the Directorate, the Center, and other elements of the Federal Government overlap.

(7) An assessment of whether the areas of overlap, if any, delineated under paragraph (6) represent an inefficient utilization of resources.

(8) A description of the policies and procedures to ensure that the Directorate and the Center comply with the Constitution and applicable statutes, Executive orders, and regulations of the United States.

(9) The practical impact, if any, of the operations of the Center on individual liberties and privacy.

(10) Such information as the President considers appropriate to explain the basis for the establishment and operation of the Center as a ''joint venture'' of participating agencies rather than as an element of the Directorate reporting directly to the Secretary of Homeland Security through the Under Secretary of Homeland Security for Information Analysis and Infrastructure Protection.

(b) SUBMITTAL DATE.—The report required by this section shall be submitted not later than May 1, 2004.

(c) FORM.—The report required by this section shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Select Committee on Intelligence and the Committees on Governmental Affairs, the Judiciary, and Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committees on the Judiciary and Appropriations of the House of Representatives.

SEC. 360. REPORT ON TERRORIST SCREENING CENTER.

(a) REPORT.—Not later than September 16, 2004, the President shall submit to Congress a report on the establishment and operation of the Terrorist Screening Center, established on September 16, 2003, by Homeland Security Presidential Directive 6, including the matters described in subsection (b).

(b) COVERED MATTERS.—The matters referred to in subsection (a) are the following:

(1) An analysis of the operations of the Terrorist Screening Center to ensure that the Terrorist Screening Center does not violate the Constitution, or any statute, Executive order, or regulation of the United States.

(2) A description of the architecture of the database system of the Terrorist Screening Center, including the number of databases maintained, operated, or administered by the Terrorist Screening Center, and the extent to which these databases have been integrated.

(3) A determination of whether data from all watch lists detailed in the April 2003 report of the Comptroller General of the United States, entitled ''Information Technology: Terrorist Watch Lists should be Consolidated to promote Better Integration and Sharing,'' have been incorporated into the Terrorist Screening Center database system.

(4) A determination of whether there remain any relevant databases that are not yet part of the Terrorist Screening Center database system.

(5) A schedule that specifies the dates on which each Federal watch list database identified in the report referred to in paragraph (3), or determined under paragraph (4) to be not yet part of the Terrorist Screening Center database system, were, or will be, integrated into the Terrorist Screening Center database system.

(6) A description of the protocols in effect to ensure the protection of classified and sensitive information contained in the Terrorist Screening Center database system.

(7) A description of—

(A) the process by which databases in the Terrorist Screening Center database system are reviewed for accuracy and timeliness of data and the frequency of updates of such reviews; and

(B) the mechanism used to ensure that data within a particular database is synchronized and replicated throughout the database system of the Terrorist Screening Center.

(8) A description of the extent to which the Terrorist Screening Center makes information available to the private sector and critical infrastructure components, and the criteria for determining which private sector and critical infrastructure components receive that information.

(9) The number of individuals listed in the Terrorist Screening Center database system.

(10) The estimated operating budget of, and sources of funding for, the Terrorist Screening Center for each of fiscal years 2004, 2005, and 2006.

(11) An assessment of the impact of the Terrorist Screening Center on current law enforcement systems.

(12) The practical impact, if any, of the operations of the Terrorist Screening Center on individual liberties and privacy.

(13) Such recommendations as the President considers appropriate for modifications of law or policy to ensure the continuing operation of the Terrorist Screening Center.

(c) FORM OF REPORT.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

SEC. 361. REPEAL AND MODIFICATION OF REPORT REQUIREMENTS RELATING TO INTELLIGENCE ACTIVITIES.

(a) ANNUAL EVALUATION OF PERFORMANCE AND RESPONSIVENESS OF INTELLIGENCE COMMUNITY.—Section 105 of the National Security Act of 1947 (50 U.S.C. 403–5) is amended by striking subsection (d).

(b) PERIODIC REPORTS ON DISCLOSURE OF INTELLIGENCE INFORMATION TO UNITED NATIONS.—Section 112(b) of the National Security Act of 1947 (50 U.S.C. 404g(b)(1)) is amended—

(1) in the subsection caption, by striking ''PERIODIC'' and inserting ''ANNUAL'';

(2) in paragraph (1), by striking ''semiannually'' and inserting ''annually''; and

(3) in paragraph (3), by striking ''periodic'' and inserting ''the annual''.

(c) ANNUAL REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH COUNTERDRUG ACTIVITIES.—Section 114 of the National Security Act of 1947 (50 U.S.C. 404i) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively.

(d) ANNUAL REPORT ON COVERT LEASES.—Section 114 of the National Security Act of 1947, as amended by this section, is further amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

(e) ANNUAL REPORT ON CERTAIN FOREIGN COMPANIES INVOLVED IN PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.—Section 827 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2430; 50 U.S.C. 404n–3) is repealed.

(f) ANNUAL REPORT ON INTELLIGENCE ACTIVITIES OF PEOPLE'S REPUBLIC OF CHINA.—Section 308 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105–107; 111 Stat. 2253; 50 U.S.C. 402a note) is repealed.

(g) ANNUAL REPORT ON COORDINATION OF COUNTERINTELLIGENCE MATTERS WITH FBI.—Section 811(c) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103–359; 50 U.S.C. 402a(c)) is amended—

(1) by striking paragraph (6); and

(2) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(h) ANNUAL REPORT ON POSTEMPLOYMENT ASSISTANCE FOR TERMINATED INTELLIGENCE EMPLOYEES.—Section 1611 of title 10, United States Code, is amended by striking subsection (e).

(i) ANNUAL REPORT ON ACTIVITIES OF FBI PERSONNEL OUTSIDE THE UNITED STATES.—Section 540C of title 28, United States Code, is repealed.

(j) ANNUAL REPORT ON EXCEPTIONS TO CONSUMER DISCLOSURE REQUIREMENTS FOR NATIONAL SECURITY INVESTIGATIONS.—Section 604(b)(4) of the Fair Credit Reporting Act (15 U.S.C. 1681b(b)(4)) is amended—

(1) by striking subparagraphs (D) and (E); and

(2) by redesignating subparagraph (F) as subparagraph (D).

(k) REPORTS ON ACQUISITION OF TECHNOLOGY RELATING TO WEAPONS OF MASS DESTRUCTION AND ADVANCED CONVENTIONAL MUNITIONS.—Subsection (b)(1) of section 721 of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104–293; 50 U.S.C. 2366) is amended by striking ''a semiannual'' and inserting ''an annual''.

(l) CONFORMING AMENDMENTS.—Section 507 of the National Security Act of 1947 (50 U.S.C. 415b) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A), (C), (G), (I), (J), and (L);

(ii) by redesignating subparagraphs (B), (D), (E), (H), (K), (M), and (N) as subparagraphs (A), (C), (D), (G), (H), and (I), respectively;

(iii) by inserting after subparagraph (A), as so redesignated, the following new subparagraph (B):

''(B) The annual report on intelligence provided to the United Nations required by section 112(b)(1).''; and

(iv) by inserting after subparagraph (D), as so redesignated, the following new subparagraph (E):

''(E) The annual report on the acquisition of technology relating to weapons of mass destruction and advanced conventional munitions required by section 721 of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104–293; 50 U.S.C. 2366).''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking ''section 114(b)'' and inserting ''section 114(a)'';

(ii) in subparagraph (B), by striking ''section 114(d)'' and inserting ''section 114(c)'';

(iii) by striking subparagraphs (C), (E), and (F); and

(iv) by redesignating subparagraphs (D) and (G) as subparagraphs (C) and (D), respectively; and

(2) in subsection (b)—

(A) by striking paragraphs (1) and (4); and

(B) by redesignating paragraphs (2), (3), (5), (6), (7), and (8) as paragraphs (1), (2), (3), (4), (5), and (6), respectively.

(m) CLERICAL AMENDMENTS.—

(1) NATIONAL SECURITY ACT OF 1947.—The table of contents for the National Security Act of 1947 is amended by striking the item relating to section 603.

(2) TITLE 28, UNITED STATES CODE.—The table of sections at the beginning of chapter 33 of title 28, United States Code, is amended by striking the item relating to section 540C.

(n) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 2003.

Subtitle E—Other Matters

SEC. 371. EXTENSION OF SUSPENSION OF REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

Section 311 of the Intelligence Authorization Act for Fiscal Year 2002 (Public Law 107–108; 22 U.S.C. 7301 note) is amended—

(1) in the heading, by striking ''**TWO-YEAR**'' before ''**SUSPENSION OF REORGANIZATION**''; and

(2) in the text, by striking ''ending on October 1, 2003'' and inserting ''ending on the date that is 60 days after the appropriate congressional committees of jurisdiction (as defined in section 324(d) of that Act (22 U.S.C. 7304(d)) are notified jointly by the Secretary of State (or the Secretary's designee) and the Director of the Office of Management and Budget (or the Director's designee) that the operational framework for the office has been terminated''.

SEC. 372. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE MATERIALS.

(a) CLARIFICATION OF ALIENS AUTHORIZED TO DISTRIBUTE EXPLOSIVE MATERIALS.—Section 842(d)(7) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B)—

(A) by inserting ''or'' at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

''(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or

''(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;''.

(b) CLARIFICATION OF ALIENS AUTHORIZED TO POSSESS OR RECEIVE EXPLOSIVE MATERIALS.—Section 842(i)(5) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B)—

(A) by inserting ''or'' at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

''(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or

''(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;''.

SEC. 373. MODIFICATION OF PROHIBITION ON THE NATURALIZATION OF CERTAIN PERSONS.

Section 313(e)(4) of the Immigration and Nationality Act (8 U.S.C. 1424(e)(4)) is amended—

(1) by inserting ''when Department of Defense activities are relevant to the determination'' after ''Secretary of Defense''; and

(2) by inserting ''and the Secretary of Homeland Security'' after ''Attorney General''.

SEC. 374. MODIFICATION TO DEFINITION OF FINANCIAL INSTITUTION IN RIGHT TO FINANCIAL PRIVACY ACT.

(a) MODIFICATION OF DEFINITION.—Section 1114 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3414) is amended by adding at the end the following:

''(d) For purposes of this section, and sections 1115 and 1117 insofar as they relate to the operation of this section, the term 'financial institution' has the same meaning as in subsections (a)(2) and (c)(1) of section 5312 of title 31, United States Code, except that, for purposes of this section, such term shall include only such a financial institution any part of which is located inside any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the United States Virgin Islands.''.

(b) CROSS REFERENCE MODIFICATION.—Section 1101(1) of such Act (12 U.S.C. 3401(1)) is amended by inserting '', except as provided in section 1114,'' before ''means any office''.

SEC. 375. COORDINATION OF FEDERAL GOVERNMENT RESEARCH ON SECURITY EVALUATIONS.

(a) WORKSHOPS FOR COORDINATION OF RESEARCH.—The National Science Foundation and the Office of Science and Technology Policy shall jointly sponsor not less than two workshops on the coordination of Federal Government research on the use of behavioral, psychological, and physiological assessments of individuals in the conduct of security evaluations.

(b) DEADLINE FOR COMPLETION OF ACTIVITIES.—The activities of the workshops sponsored under subsection (a) shall be completed not later than March 1, 2004.

(c) PURPOSES.—The purposes of the workshops sponsored under subsection (a) are as follows:

(1) To provide a forum for cataloging and coordinating federally funded research activities relating to the development of new techniques in the behavioral, psychological, or physiological assessment of individuals to be used in security evaluations.

(2) To develop a research agenda for the Federal Government on behavioral, psychological, and physiological assessments of individuals, including an identification of the research most likely to advance the understanding of the use of such assessments of individuals in security evaluations.

(3) To distinguish between short-term and long-term areas of research on behavioral, psychological, and physiological assessments of individuals in order to maximize the utility of short-term and long-term research on such assessments.

(4) To identify the Federal agencies best suited to support research on behavioral, psychological, and physiological assessments of individuals.

(5) To develop recommendations for coordinating future federally funded research for the development, improvement, or enhancement of security evaluations.

(d) ADVISORY GROUP.—(1) In order to assist the National Science Foundation and the Office

of Science and Technology Policy in carrying out the activities of the workshops sponsored under subsection (a), there is hereby established an interagency advisory group with respect to such workshops.

(2) The advisory group shall be composed of the following:

(A) A representative of the Social, Behavioral, and Economic Directorate of the National Science Foundation.

(B) A representative of the Office of Science and Technology Policy.

(C) The Secretary of Defense, or a designee of the Secretary.

(D) The Secretary of State, or a designee of the Secretary.

(E) The Attorney General, or a designee of the Attorney General.

(F) The Secretary of Energy, or a designee of the Secretary.

(G) The Secretary of Homeland Security, or a designee of the Secretary.

(H) The Director of Central Intelligence, or a designee of the Director.

(I) The Director of the Federal Bureau of Investigation, or a designee of the Director.

(J) The National Counterintelligence Executive, or a designee of the National Counterintelligence Executive.

(K) Any other official assigned to the advisory group by the President for purposes of this section.

(3) The members of the advisory group under subparagraphs (A) and (B) of paragraph (2) shall jointly head the advisory group.

(4) The advisory group shall provide the Foundation and the Office such information, advice, and assistance with respect to the workshops sponsored under subsection (a) as the advisory group considers appropriate.

(5) The advisory group shall not be treated as an advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).

(e) FOIA EXEMPTION.—All files of the National Science Foundation and the Office of Science and Technology Policy for purposes of administering this section, including any files of a Federal, State, or local department or agency or of a private sector entity provided to or utilized by a workshop or advisory group under this section, shall be exempt from the provisions of section 552 of title 5, United States Code, that require publication, disclosure, search, or review in connection therewith.

(f) REPORT.—Not later than March 1, 2004, the National Science Foundation and the Office of Science and Technology Policy shall jointly submit to Congress a report on the results of activities of the workshops sponsored under subsection (a), including the findings and recommendations of the Foundation and the Office as a result of such activities.

(g) FUNDING.—(1) Of the amount authorized to be appropriated for the Intelligence Community Management Account by section 104(a), $500,000 shall be available to the National Science Foundation and the Office of Science and Technology Policy to carry out this section.

(2) The amount authorized to be appropriated by paragraph (1) shall remain available until expended.

SEC. 376. TREATMENT OF CLASSIFIED INFORMATION IN MONEY LAUNDERING CASES.

Section 5318A of title 31, United States Code, is amended by adding at the end the following:

''(f) CLASSIFIED INFORMATION.—In any judicial review of a finding of the existence of a primary money laundering concern, or of the requirement for 1 or more special measures with respect to a primary money laundering concern, made under this section, if the designation or imposition, or both, were based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.), such information may be submitted by the Secretary to the reviewing court ex parte and in camera. This subsection does not confer or imply any right to judicial review of any finding made or any requirement imposed under this section.''.

SEC. 377. TECHNICAL AMENDMENTS.

(a) NATIONAL SECURITY ACT OF 1947.—Section 112(d)(1) of the National Security Act of 1947 (50 U.S.C. 404g(d)(1)) is amended by striking ''section 103(c)(6)'' and inserting ''section 103(c)(7)''.

(b) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—(1) Section 5(a)(1) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(1)) is amended by striking ''(c)(6)'' each place it appears and inserting ''(c)(7)''.

(2) Section 6 of that Act (50 U.S.C. 403g) is amended by striking ''section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))'' and inserting ''section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))''.

(3) Section 15 of that Act (50 U.S.C. 403o) is amended—

(A) in subsection (a)(1), by striking ''special policemen of the General Services Administration perform under the first section of the Act entitled 'An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes'(40 U.S.C. 318),'' and inserting ''officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,''; and

(B) in subsection (b), by striking ''the fourth section of the Act referred to in subsection (a) of this section (40 U.S.C. 318c)'' and inserting ''section 1315(c)(2) of title 40, United States Code''.

(c) NATIONAL SECURITY AGENCY ACT OF 1959.—Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended—

(1) in subsection (a)(1), by striking ''special policemen of the General Services Administration perform under the first section of the Act entitled 'An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes'(40 U.S.C. 318)'' and inserting ''officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,''; and

(2) in subsection (b), by striking ''the fourth section of the Act referred to in subsection (a) (40 U.S.C. 318c)'' and inserting ''section 1315(c)(2) of title 40, United States Code''.

(d) INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003.—Section 343 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2399; 50 U.S.C. 404n–2) is amended—

(1) in subsection (c), by striking ''section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))'' and inserting ''section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))''; and

(2) in subsection (e)(2), by striking ''section 103(c)(6)'' and inserting ''section 103(c)(7)''.

(e) FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002.—Section 3535(b)(1) of title 44, United States Code, as added by section 1001(b)(1) of the Homeland Security Act of 2002 (Public Law 107–296), and section 3545(b)(1) of title 44, United States Code, as added by section 301(b)(1) of the E–Government Act of 2002 (Public Law 107–347), are each amended by inserting ''or any other law'' after ''1978''.

(f) PUBLIC LAW 107–173.—Section 201(c)(3)(F) of the Enhanced Border Security and Visa Entry Reform Act of 2002 (Public Law 107–173; 116 Stat. 548; 8 U.S.C. 1721(c)(3)(F)) is amended by striking ''section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))'' and inserting ''section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))''.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. AMENDMENT TO CERTAIN CENTRAL INTELLIGENCE AGENCY ACT OF 1949 NOTIFICATION REQUIREMENTS.

Section 4(b)(5) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b)(5)) is amended by inserting '', other than regulations under paragraph (1),'' after ''Regulations''.

SEC. 402. PROTECTION OF CERTAIN CENTRAL INTELLIGENCE AGENCY PERSONNEL FROM TORT LIABILITY.

Section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o) is amended by adding at the end the following new subsection:

''(d)(1) Notwithstanding any other provision of law, any Agency personnel designated by the Director under subsection (a), or designated by the Director under section 5(a)(4) to carry firearms for the protection of current or former Agency personnel and their immediate families, defectors and their immediate families, and other persons in the United States under Agency auspices, shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such Agency personnel take reasonable action, which may include the use of force, to—

''(A) protect an individual in the presence of such Agency personnel from a crime of violence;

''(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

''(C) prevent the escape of any individual whom such Agency personnel reasonably believe to have committed a crime of violence in the presence of such Agency personnel.

''(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679 of title 28, United States Code.

''(3) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code.''.

SEC. 403. REPEAL OF OBSOLETE LIMITATION ON USE OF FUNDS IN CENTRAL SERVICES WORKING CAPITAL FUND.

Section 21(f)(2) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u(f)(2)) is amended—

(1) in subparagraph (A), by striking ''(A) Subject to subparagraph (B), the Director'' and inserting ''The Director''; and

(2) by striking subparagraph (B).

SEC. 404. PURCHASES BY CENTRAL INTELLIGENCE AGENCY OF PRODUCTS OF FEDERAL PRISON INDUSTRIES.

Notwithstanding section 4124 of title 18, United States Code, purchases by the Central Intelligence Agency from Federal Prison Industries shall be made only if the Director of Central Intelligence determines that the product or service to be purchased from Federal Prison Industries best meets the needs of the Agency.

SEC. 405. POSTPONEMENT OF CENTRAL INTELLIGENCE AGENCY COMPENSATION REFORM AND OTHER MATTERS.

(a) POSTPONEMENT OF COMPENSATION REFORM PLAN.—Section 402(a)(2) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2403; 50 U.S.C. 403–4 note) is amended by striking ''February 1, 2004,'' and all that follows through the end and inserting ''the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2005.''.

(b) CONTRIBUTION BY CIA EMPLOYEES OF CERTAIN BONUS PAY TO THRIFT SAVINGS PLAN.—

(1) CIVIL SERVICE RETIREMENT SYSTEM PARTICIPANTS.—Section 8351(d) of title 5, United States Code, is amended—

(A) by inserting ''(1)'' after ''(d)''; and

(B) by adding at the end the following new paragraph:

''(2)(A) Only those employees of the Central Intelligence Agency participating in the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003

(Public Law 107–306; 50 U.S.C. 403–4 note) and making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of bonus pay received by the employee as part of the pilot project.

''(B) Contributions under this paragraph are subject to section 8432(d) of this title.''.

(2) FEDERAL EMPLOYEES' RETIREMENT SYSTEM PARTICIPANTS.—Section 8432 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(k)(1) Only those employees of the Central Intelligence Agency participating in the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 50 U.S.C. 403–4 note) and making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of bonus pay received by the employee as part of the pilot project.

''(2) Contributions under this subsection are subject to subsection (d).

''(3) For purposes of subsection (c), basic pay of an employee of the Central Intelligence Agency participating in the pilot project referred to in paragraph (1) shall include bonus pay received by the employee as part of the pilot project.''.

(c) REPORT.—(1) The Director of Central Intelligence shall submit to the congressional intelligence committees a report on the amount of compensation (including basic pay, bonuses, and employer contributions to the Thrift Savings Plan) of each employee of the Central Intelligence Agency participating in the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2403; 50 U.S.C. 403–4 note), and on the amount that each such employee would have received had such employee received compensation under the existing system of compensation used by the Agency.

(2) The report required by paragraph (1) shall be submitted together with the report required by paragraph (3) of such section 402(b).

(3) In this subsection, the term ''congressional intelligence committees'' has the meaning given that term in section 402(d) of the Intelligence Authorization Act for Fiscal Year 2003.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

SEC. 501. PROTECTION OF CERTAIN NATIONAL SECURITY AGENCY PERSONNEL FROM TORT LIABILITY.

Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new subsection:

''(d)(1) Notwithstanding any other provision of law, agency personnel designated by the Director of the National Security Agency under subsection (a) shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such agency personnel take reasonable action, which may include the use of force, to—

''(A) protect an individual in the presence of such agency personnel from a crime of violence;

''(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

''(C) prevent the escape of any individual whom such agency personnel reasonably believe to have committed a crime of violence in the presence of such agency personnel.

''(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679 of title 28, United States Code.

''(3) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code.''.

SEC. 502. USE OF FUNDS FOR COUNTERDRUG AND COUNTERTERRORISM ACTIVITIES FOR COLOMBIA.

(a) AUTHORITY.—Funds designated for intelligence or intelligence-related purposes for assistance to the Government of Colombia for counterdrug activities for fiscal year 2004, and any unobligated funds available to any element of the intelligence community for such activities for a prior fiscal year, shall be available—

(1) to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as terrorist organizations (such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC)); and

(2) to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations.

(b) APPLICABILITY OF CERTAIN LAWS AND LIMITATIONS.—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:

(1) Sections 556, 567, and 568 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2160, 2165, and 2166).

(2) Section 8077 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87; 117 Stat. 1090).

(3) The numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of the Emergency Supplemental Act, 2000 (division B of Public Law 106–246; 114 Stat. 575), as amended by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (115 Stat. 2131).

(c) LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.—No United States Armed Forces personnel or United States civilian contractor employed by the United States Armed Forces will participate in any combat operation in connection with assistance made available under this section, except for the purpose of acting in self defense or during the course of search and rescue operations for United States citizens.

SEC. 503. SCENE VISUALIZATION TECHNOLOGIES.

Of the amount authorized to be appropriated by this Act, $2,500,000 shall be available for the National Geospatial-Intelligence Agency (NGA) for scene visualization technologies.

SEC. 504. MEASUREMENT AND SIGNATURES INTELLIGENCE RESEARCH PROGRAM.

(a) RESEARCH PROGRAM.—(1) The Secretary of Defense and the Director of Central Intelligence shall jointly carry out a program to incorporate the results of basic research on sensors into the measurement and signatures intelligence systems of the United States, to the extent the results of such research are applicable to such systems.

(2) In carrying out paragraph (1), the Secretary of Defense and the Director of Central Intelligence shall act through the Director of the Defense Intelligence Agency's Directorate for MASINT and Technical Collection (hereinafter in this section referred to as the ''Director'').

(b) PROGRAM COMPONENTS.—The program under subsection (a) shall review and assess basic research on sensors and technologies conducted both by the United States Government and by non-governmental entities. In carrying out the program, the Director shall protect intellectual property rights, maintain organizational flexibility, and establish research projects, funding levels, and potential benefits in an equitable manner through the Directorate.

(c) ADVISORY PANEL.—(1) The Director shall establish an advisory panel to assist the Director in carrying out the program under subsection (a).

(2) The advisory panel shall be headed by the Director who shall determine the selection, review, and assessment of the research projects under the program.

(3)(A) The Director shall appoint as members of the advisory panel representatives of each entity of the MASINT community, and may appoint as such members representatives of national laboratories, universities, and private sector entities.

(B) For purposes of this subsection the term ''MASINT community'' means academic, professional, industrial, and government entities that are committed towards the advancement of the sciences in measurement and signatures intelligence.

(C) The term for a member of the advisory panel shall be established by the Director, but may not exceed a period of 5 consecutive years.

(D) Members of the advisory panel may not receive additional pay, allowances, or benefits by reason of their service on the advisory panel, but may receive per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(4) The Director may accept contributions from non-governmental participants on the advisory panel to defray the expenses of the advisory panel.

(5) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the advisory panel established under this subsection.

(d) FOIA EXEMPTION.—All files in the possession of the Defense Intelligence Agency for purposes of administering the program under this section, including any files of a Federal, State, or local department or agency or of a private sector entity provided to or utilized by the program, shall be exempt from the provisions of section 552 of title 5, United States Code, that require publication, disclosure, search, or review in connection therewith.

SEC. 505. AVAILABILITY OF FUNDS OF NATIONAL SECURITY AGENCY FOR NATIONAL SECURITY SCHOLARSHIPS.

(a) AVAILABILITY OF FUNDS.—Any funds authorized to be appropriated for the National Security Agency for a fiscal year after fiscal year 2003 may be made available to the Independent College Fund of Maryland (also known as the ''I–Fund'') for the purpose of the establishment and provision of national security scholarships to the extent such funds are specifically authorized for that purpose.

(b) MECHANISMS OF AVAILABILITY.—Funds may be made available to the Independent College Fund of Maryland under subsection (a) by grant, contract, cooperative agreement, or such other appropriate mechanisms as the Director of the National Security Agency considers appropriate.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER J. GOSS,
DOUG BEREUTER,
SHERWOOD BOEHLERT,
JIM GIBBONS,
RAY LAHOOD,
RANDY ''DUKE'' CUNNINGHAM,
PETE HOEKSTRA,
RICHARD BURR,
TERRY EVERETT,
ELTON GALLEGLY,
MAC COLLINS,
JANE HARMAN,
ALCEE L. HASTINGS,
SILVESTRE REYES,
LEONARD L. BOSWELL,
COLLIN C. PETERSON,
BUD CRAMER,
ANNA G. ESHOO,
RUSH HOLT,
C.A. DUTCH RUPPERSBERGER.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

DUNCAN HUNTER,

CURT WELDON,
Managers on the Part of the House.

From the Select Committee on Intelligence:
PAT ROBERTS,
ORRIN HATCH,
MIKE DEWINE,
CHRISTOPHER S. BOND,
TRENT LOTT,
OLYMPIA SNOWE,
CHUCK HAGEL,
SAXBY CHAMBLISS,
JOHN WARNER,
JAY ROCKEFELLER,
CARL LEVIN,
DIANNE FEINSTEIN,
RON WYDEN,
DICK DURBIN,
EVAN BAYH,
JOHN EDWARDS,
BARBARA A. MIKULSKI.

From the Committee on Armed Services:
WAYNE ALLARD,
BILL NELSON.

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2417), to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the Senate and House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The managers agree that the congressionally directed actions described in the House bill, the Senate amendment, the respective committee reports, and classified annexes accompanying H.R. 2417 and S. 1025, should be undertaken to the extent that such congressionally directed actions are not amended, altered, substituted, or otherwise specifically addressed in either this joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 2417.

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the Conferees, and minor drafting and clarifying changes.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations

Section 101 of the conference report lists the departments, agencies, and other elements of the United States Government for whose intelligence and intelligence-related activities the Act authorizes appropriations for fiscal year 2004. The list illustrates the oversight and legislative jurisdiction exercised by the Intelligence Committees in both Houses. It also reflects the primary jurisdiction of the Senate Select Committee on Intelligence over all presidential nominations within the intelligence elements of all departments, agencies, and other entities of the United States Government. The managers note that this conference report marks the first appearance of the Department of Homeland Security in an intelligence authorization bill. This reflects the jurisdiction of the Intelligence Committees in both Houses over the intelligence activities and components of that Department as established by Congress in the ''Homeland Security Act of 2002'' (P.L. 107–296), and as designated by the President in Executive Order 13284 (January 23, 2003). The Conferees have also included the Department of Justice (DoJ) in this section to better reflect the fact that Intelligence Committee jurisdiction of both Houses extends to the intelligence activities and components of DoJ, including, particularly, the Office of Intelligence Policy and Review, which directly supports numerous National Foreign Intelligence Program (NFIP) activities across the Intelligence Community. Section 101 is identical to Section 101 of the House bill.

Sec. 102. Classified schedule of authorizations

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this Title for fiscal year 2004 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The classified annex provides details of the Schedule. Section 102 is identical to Section 102 of the House bill.

Sec. 103. Personnel ceiling adjustments

Section 103 of the conference report authorizes the Director of Central Intelligence (DCI), with the approval of the Director of the Office of Management and Budget, in fiscal year 2004, to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under Section 102 by an amount not to exceed two percent of the total of the ceilings applicable under Section 102. The DCI may exercise this authority only if necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the Intelligence Committees of the Congress.

The Conferees emphasize that the authority conferred by Section 103 is not intended to permit wholesale increases in personnel strength in any intelligence component. Rather, the section provides the DCI with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring new employees and attrition of current employees. The Conferees do not expect the DCI to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs that are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 of the House bill and Section 103 of the Senate amendment are identical.

Sec. 104. Intelligence Community Management Account

Section 104 of the conference report authorizes appropriations for the Intelligence Community Management Account (CMA) of the DCI and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 2004.

Subsection (a) authorizes appropriations of $221,513,000 for fiscal year 2004 for the activities of the CMA of the DCI.

Subsection (b) authorizes 310 full-time personnel for the Intelligence Community Management Staff for fiscal year 2004 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States Government.

Subsection (c) authorizes additional appropriations and personnel for the CMA as specified in the classified Schedule of Authorizations and permits additional amounts to remain available for research and development through September 30, 2005. Subsection (c) of the House bill provided only for one-year research and development funds. The House recedes to the Senate.

Subsection (d) requires that, except as provided in Section 113 of the National Security Act of 1947, during fiscal year 2004, personnel from another element of the United States Government be detailed to an element of the CMA on a reimbursable basis, or for temporary situations of less than one year on a non-reimbursable basis.

Subsection (e) authorizes $47,142,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC). Subsection (e) requires the DCI to transfer these funds to the Attorney General to be used for NDIC activities under the authority of the Attorney General and subject to Section 103 (d) (1) of the National Security Act.

Although a DoJ organization, the NDIC is authorized and funded entirely through NFIP funds. The Conferees expect NDIC to be better integrated into the Intelligence Community, particularly with respect to counter-narcotics activities and strategic planning.

Sec. 105. Office of Intelligence and Analysis of the Department of the Treasury

Section 105 is similar to Section 105 of the House bill. The Senate amendment had no similar provision. The Senate recedes with slight modifications. Section 105 authorizes the establishment of an Office of Intelligence and Analysis within the Department of the Treasury (Treasury) to be headed by a presidentially appointed and Senate-confirmed Assistant Secretary. Subsection (c) requires that the Secretary of the Treasury consult with the DCI before recommending to the President an individual to be nominated to the position.

As a result of the findings of the ''Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001'' (Joint Inquiry), the Conferees seek to ensure that there is full, appropriate, and timely sharing of information and analysis within the U.S. Government concerning financial networks associated with international terrorism. Since the September 11, 2001, terrorist attacks, the U.S. Government has blocked the assets of over 260 individuals and groups supporting terrorist causes. It has also frozen approximately $120 million in terrorist-related assets.

Currently, there is no single Executive Branch office tasked by statute with ensuring that all elements of the intelligence and law enforcement communities cooperate and coordinate in the identification and the targeting of terrorist financial assets. Moreover, coordination on terrorist financing issues within Treasury, and between Treasury and the Intelligence Community, while improving, is currently uneven and disjointed. The Conferees are convinced that Treasury must be more effective in articulating the counterterrorist financing mission. Treasury must also implement the mission requirements from an intelligence sharing and operational perspective more effectively.

The managers recognize that the staffs of the Office of Foreign Assets Control (OFAC)

and the Financial Crimes Enforcement Network (FinCEN) possess unique analytical capabilities regarding terrorist financial targets and that this resource should be leveraged across the Intelligence Community. Treasury's access to Intelligence Community information, however, must be enhanced if it is to fulfill this mission. Treasury's analytical products need to be more effectively coordinated with, and disseminated throughout, the Intelligence Community. The Conferees note that the Chairman of the House Committee on Financial Services has provided valuable input on the language of Section 105.

The Conferees seek to establish a new office to accomplish this requirement within Treasury. The Conferees are hopeful that the creation of this new office will streamline and centralize the U.S. Government's capabilities to track terrorist financing networks across the globe. The Conferees further expect that the new office will be treated as a full partner in the Intelligence Community, receiving all intelligence, law enforcement, and other information necessary for it to carry out its important task.

The Conferees also insist that the requirements of the ''Intelligence Authorization Act for Fiscal Year 2003'' (FY 03 Act) (P.L. 107–306) are met. Section 341 of the FY 03 Act requires that the DCI establish a Foreign Terrorist Asset Tracking Center (FTAT–C) within the Central Intelligence Agency (CIA). Establishment of a Treasury Bureau of Intelligence and Analysis should markedly strengthen FTAT–C's analytic capacity. Section 342 of the FY 03 Act also directed that the Secretary of the Treasury submit semi-annual reports concerning U.S. Government operations against terrorist financial networks. The first Section 342 report was due on February 1, 2003, but was not completed until May 12, 2003. The Conferees expect that the establishment of the Office of Intelligence and Analysis within Treasury will make future Section 342 reports more timely and informative with respect to U.S. Government progress against terrorist-related financial targets.

Sec. 106. Incorporation of reporting requirements

Section 106 is similar to Section 105 of the Senate amendment. The House bill had no similar provision. The House recedes to the Senate position. Section 106 incorporates into the Act by reference each requirement to submit a report contained in the joint explanatory statement to accompany the conference report or in the associated classified annex to this Conference Report.

Sec. 107. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy

Section 107 is identical to Section 106 of the Senate amendment. The House bill had no similar provision. The House recedes.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations

Section 201 authorizes appropriations of $226,400,000 for the Central Intelligence Agency Retirement and Disability Fund. Section 201 of the House bill and Section 201 of the Senate amendment are identical.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

Sec. 301. Increase in employee compensation and benefits authorized by law

Section 301 is identical to Section 301 of the Senate amendment and Section 301 of the House bill.

Sec. 302. Restriction on conduct of intelligence activities

Section 302 is identical to Section 302 of the Senate amendment and Section 302 of the House bill.

Subtitle B—Intelligence

Sec. 311. Authority of Federal Bureau of Investigation to award personal services contracts

Section 311 would grant the Federal Bureau of Investigation (FBI) specific statutory authority to enter into personal services contracts for the procurement of services that are only in direct support of an intelligence or counterintelligence mission. The Conferees expect that such services will be used, among other things, to provide the FBI with needed expertise in asset validation, counterterrorism investigations, counterespionage activities, counterintelligence damage assessments, counterintelligence training, and related technical support. The Conferees anticipate that this authority will be used as a contracting mechanism when other contracting mechanisms are insufficient to meet the national security requirements of the FBI. The Conferees also note that this provision does not modify existing restrictions on the use of contractors to perform ''inherently governmental functions.'' This authority should not be used by the FBI to avoid or forestall the currently aggressive efforts to recruit and hire qualified staff employees to fill personnel vacancies.

The Conferees believe that this authority is consistent with the public's desire that the FBI operate with greater flexibility with respect to its national security mission following the September 11th attacks. The Conferees believe, however, that the FBI should use the increased flexibility afforded under this section carefully. The FBI should implement this section in a manner that strictly reflects the unique nature of the authorization. The Conferees require that before a contract can be entered into, the Chief Contracting Officer must determine that a personal service contract is ''the appropriate means of securing'' the needed services. Additionally, the Conferees expect that the Director of the FBI will ensure that the authority granted by this section is exercised in a prudent manner and with appropriate oversight.

Neither the House bill nor the Senate amendment contained a similar provision. This provision is similar to the authority afforded to certain Department of Defense elements in Section 841 of the Conference Report accompanying the ''Defense Authorization Act for Fiscal Year 2004.'' The Conferees agreed to include this section, however, after learning that the increased pace and amount of work in the post-September 11th environment has created a need for this authority for the FBI. The Conferees believe there exists an operational imperative for the FBI to enter into personal services contracts to support its counterterrorism, counterespionage, and counterintelligence missions.

The Conferees note that the Chairman of the House Committee on the Judiciary has indicated that although he would prefer that this provision be carried in the ''Department of Justice Appropriations Authorization Act, Fiscal Years 2004–2006'' (H.R. 3036), he has ''no substantive objection'' to the provision. Additionally, the Chairman of the House Committee on Government Reform has submitted a letter in support of including this provision in this Conference Report.

Congress, through the statutory annual reporting requirement contained in this section, and through its general oversight authority, will monitor the FBI's use of this authority closely and will not hesitate to revise the authority if exercised irresponsibly or otherwise abused.

The Conferees expect that the unclassified report to all specified congressional committees will be substantially the same, except that intelligence source and methods information should be included only in a classified annex provided to the Intelligence Committees.

Sec. 312. Budget treatment of costs of acquisition of major systems by the intelligence community

Section 312 was added to the Senate amendment on the Senate floor. As amended by the Conferees, the House recedes to this provision.

The Conferees are concerned about the cost growth of major Intelligence Community acquisitions, which result in a reshuffling of the NFIP on an almost annual basis to address consequential budget shortfalls.

Funding requests submitted in the President's budget generally reflect an estimate that has been prepared by the same Intelligence Community component that is responsible for the acquisition and operation of the system. The magnitude and consistency of the growth of recent acquisitions indicates a systemic bias on the part of Intelligence Community components to underestimate the funding required for major acquisitions. Because of ''perceived affordability,'' more acquisitions are started, and as a result, the NFIP is burdened with more content than available resources can support.

In contrast, the Secretary of Defense has implemented a successful program requiring the development of independent cost estimates for major acquisitions. The Secretary has mandated the use of such estimates in the Department of Defense budget requests. Section 2434 of Title 10, United States Code, provides that ''The Secretary of Defense may not approve the system development and demonstration, or production and deployment, of a major defense acquisition program unless an independent estimate of the full life-cycle cost of the program and a manpower estimate for the program [has] been considered by the Secretary.'' Further, Title 10 requires that the independent estimate be prepared ''by an office or other entity that is not under the supervision, direction, or control of the military department, Defense Agency, or other component of the Department of Defense that is directly responsible for carrying out the development or acquisition of the program. * * *''

The Conferees note, with approval, that the DCI has already established an organization within the Office of the Deputy Director of Central Intelligence for Community Management to provide an independent cost analysis capability. This is a significant development because, historically, independent cost estimates have represented a much more accurate projection of the costs of major acquisitions. The budget submitted to Congress, however, has typically reflected the Intelligence Community operational component's cost estimate, which in general has been significantly lower than a corresponding independent estimate.

Section 312 formalizes the process for developing independent cost estimates for major Intelligence Community acquisitions.

The Conferees have included at subsection (d) a restriction on the use of appropriated funds with respect to major acquisitions for which independent cost estimates have not been prepared, or for which the requirements of Section 312 have not been followed.

DoJ raised an objection to a subsection in the Senate-passed bill requiring that the President's budget request for the development or procurement of a major intelligence system must be an amount equivalent to the most current independent cost estimate. DoJ

noted that such a requirement would violate the Recommendations Clause of the Constitution (Article II, Section 3), which provides that the President shall recommend to Congress such legislative measures as he deems necessary.

To address DoJ's Recommendations Clause objection, the Conferees modified the provision. The provision included in this Conference Report now only requires that the President provide additional information to the Congress if the budget request is less than the amount set forth in the most current independent cost estimate for the program. This additional information, which is required to be included in the budget justification materials submitted to Congress, would (1) explain the difference between the amount requested and the independent cost estimate; (2) describe the importance of the system to national security; (3) provide an assessment of the impact on funding intelligence programs if the independent cost estimate is accurate; and (4) provide any other information the President considers appropriate.

The Intelligence Committees received a DoJ letter regarding the modified provision on the eve of conference. The letter expresses DoJ's judgment that, as modified, the provision does not present any Recommendations Clause concern. DoJ, however, maintains a reservation with respect to the requirement in the modified provision that the budget justification explain the difference between the President's budget request and the independent cost estimate. The Conferees have considered DoJ's position and are satisfied that Section 312, as modified, represents an appropriate accommodation of the interests at stake. The provision respects the President's authority given by the Recommendations Clause and is consistent with Congress's powers and authority under Article I of the Constitution to obtain information from the Executive Branch necessary for the consideration of legislation, particularly legislation regarding budgetary matters.

Sec. 313. Modification of sunset of application of sanctions laws to intelligence activities

Neither the House bill nor the Senate amendment included a similar provision. The Conferees have included, at Section 313, a provision to strike Section 905 of the National Security Act of 1947 (50 U.S.C. 441d). This action revives Title IX of the National Security Act, which has been dormant since January 6, 2000.

Sec. 314. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities

Section 314 was similar to versions passed as House Section 311 and Senate amendment Section 312. The House recedes with minor amendments.

Section 314 amends congressional notification requirements for certain unprogrammed construction and improvement projects based on the cost of the project. These adjustments take into account higher construction costs.

Section 314 would also allow the DCI and the Secretary of Defense together, or the DO alone with respect to a project primarily for the CIA, to initiate certain unprogrammed construction and improvement projects seven days after notifying Congress. Currently there is a 21–day notification period. In emergencies, these projects can be commenced without prior notice. Use of this emergency authority is expected to be rare.

Sec. 315. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community

The House bill and the Senate amendment contained similar provisions. The House recedes with minor amendments.

Sec. 316. Improvement of information sharing among Federal, State, and local government officials

The House bill contained a similar provision. The Senate amendment had no such provision. The Senate recedes with amendments.

Section 316 authorizes the Secretary of Homeland Security, in consultation with the DCI and the Attorney General, to implement a program to improve the sharing of intelligence collected by the Federal government with State and local officials. This program is intended to complement implementation of the ''Homeland Security Information Sharing Act'' (P.L. 107–296, Title VIII, Subtitle I).

The program should be designed to encourage State and local officials, and certain private sector representatives, to share with each other and with appropriate Federal officials lawfully collected information vital to the prevention of terrorist attacks against the United States. The training provided to officials and representatives should help these individuals to identify sources of potential threats, to report information related to potential threats to the appropriate agencies in the appropriate form and manner, and to assure that reported information is systematically submitted to the Department of Homeland Security and disseminated to all appropriate Federal departments and agencies. A report on the status of implementation of Section 892 of the ''Homeland Security Act of 2002'' (Public Law 107–296) is also required under this section. The project grants no new authorities to any department or agency for the collection of information.

Sec. 317. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community

This Section is similar to Section 313 of the Senate amendment. The House bill had no such provision. The House recedes with minor amendments.

Sec. 318. Pilot program on recruitment and training of intelligence analysts

This section is similar to Section 314 of the Senate amendment. The House recedes with amendments. Upon enactment, the pilot program will be known as the Pat Roberts Intelligence Scholars Program.

Sec. 319. Improvement of equality of employment opportunities in the intelligence community

Section 319 is similar to Section 337 of the House bill. The Senate amendment had no similar provision. The Senate recedes with minor amendments. The provision is intended to develop programs that will enhance ethnic and cultural diversity throughout the Intelligence Community through the recruitment of individuals with diverse ethnic and cultural backgrounds, skill sets, and language proficiency.

Sec. 320. Sense of Congress on recruitment as intelligence community personnel of members of the Armed Forces on their discharge or release from duty

Section 320 was added by the Conferees. Neither the House bill nor the Senate amendment contained a similar provision. With Section 320, the Conferees encourage the Intelligence Community to recruit among American armed forces veterans of Operation Enduring Freedom, Operation Iraqi Freedom, and other military service to take advantage of the unique national security, military, and technical experience of such personnel, and to try to keep the experience from being lost to the U.S. Government upon their discharge or release from active duty.

Sec. 321. External Collection Capabilities and Requirements Review Panel

Section 321 was added by the Conferees. The provision permits the President to establish an External Capabilities and Requirements Review Panel as specified in the Classified Annex.

Subtitle C—Counterintelligence

Sec. 341. Counterintelligence initiatives for the intelligence community

Section 341 contains several counterintelligence reforms included in Section 321 of the House-passed bill. The Senate amendment contained no such provision. The Senate recedes with amendments.

In addition to the statutory requirements added by Section 341, the Conferees direct the National Counterintelligence Executive (NCIX) to consult with all components of the Intelligence Community on the status of current policies and procedures for conducting investigative reviews of production, marking, handling, storage, and communication of classified information, as well as training on related security matters to protect intelligence sources and methods. Not later than April 1, 2004, NCIX shall provide a written report to the intelligence committees with an assessment of the adequacy of Intelligence Community components' investigation of their handling of classified information and the adequacy of training on related security matters. In this report, NCIX shall include proposed uniform policies and procedures for all Intelligence Community components to conduct annual inspections of each agency's handling of classified information, to include, as appropriate, prohibitions on employees' bringing items such as cameras, document scanners, and personal electronic devices into Intelligence Community facilities. After NCIX has reported to Congress uniform policies and procedures for the conduct of annual inspections of the handling of classified information, NCIX may carry out its responsibility to implement an inspection process by delegating to Intelligence Community components the task of carrying out the inspections. NCIX shall closely monitor, and report to the intelligence committees on, the performance of those inspections.

As passed by the House, the counterintelligence reforms required by this section would have required the Attorney General, acting through the FBI Director, to establish an FBI Office of Counterintelligence to investigate potential espionage activities within the FBI. The Conferees understand that the FBI has recently established such an office. Because of this development, the Conferees agreed to drop the statutory requirement for such an office. The Conferees reaffirm their commitment to a fully empowered Office of Counterintelligence and expect to be provided periodic reports on the resource needs and operations of the office.

Subsection (b) of Section 341 of the conference report would require the Attorney General, acting through DoJ's Office of Intelligence Policy and Review, in consultation with the DCI, acting through the Office of the NCIX, to establish written policies and procedures to assist the Attorney General's consideration of intelligence and national security equities in the development of indictments and related pleadings in espionage prosecutions. The Conferees note, however, that DoJ should and does consult closely with the Intelligence Community on all aspects of espionage investigations, not just in

the development of indictments and related pleadings.

The Conferees also note that although the decision as to whether and whom to prosecute is ultimately and properly left to the discretion of the Attorney General there are significant and strategic intelligence equities at stake in these types of cases. The Conferees believe it is unwise for operational and prosecutorial decisions to proceed without close consultation at every stage. The Conferees are cognizant of the coordination that already occurs with respect to the disclosure of classified information in the presentation of such cases. DoJ and the other elements of the Intelligence Community are commended for this.

The Conferees believe, however, that the Attorney General should have the benefit of the perspective of counterintelligence professionals before making his decision on how much previously classified or sensitive information should be included in a charging document or in other pleadings. The Conferees note that the United States could lose its ability to learn more about the extent to which a spy has given away our national security secrets because so much information is contained in these types of documents. The Conferees highlight the Robert Hanssen case as an example. The Conferees recognize that there may be tactical or legal requirements for including some such information. The Conferees are concerned that some charging documents or pleadings include information that goes beyond that required by either criteria. The Conferees do not seek to vitiate any prerogatives of the Attorney General in determining whom to charge criminally, or how a matter should be charged. The NCIX is not required to concur in the Attorney General's decisions in these matters. The Conferees simply seek to improve the process by which the Attorney General makes these decisions when it involves a counterintelligence or an espionage matter. When the Attorney General makes a decision to include information beyond that meeting the minimum requirements of the Constitution for purposes of charging an individual, the Conferees merely seek to provide the Attorney General with as much insight as possible on the effects of those decisions on national security.

In addition to the statutory modifications in Section 341, the Conferees recommend that the Executive Branch move expeditiously to implement further counterintelligence reforms. In particular, the Conferees have serious concerns with several aspects of the handling of the Hanssen espionage case and other investigations.

The NCIX damage assessment in the Hanssen matter also included a reference to the effect of Section 8318 of Title 5, United States Code, with respect to a spy's cooperation with the U.S. Government. The Conferees are interested whether an amendment to this section should be made so that both the spouse and the individual whose action caused the forfeiture of an annuity, or retired pay, under 5 U.S.C. 8312 and 8313 must cooperate fully with the U.S. Government in any lawful investigation or damage assessment in order to maintain the spouse's eligibility for benefits. The Conferees direct the DCI and the Attorney General, jointly, to provide to the House and Senate Intelligence Committees, no later than February 1, 2004, a written assessment of their views on this particular question and how such an amendment would assist their respective organizations.

Subtitle D—Reports

Sec. 351. Report on cleared insider threat to classified computer networks

Section 351 is similar to Section 331 of the Senate amendment. The House bill had no similar provision. The House recedes, with minor amendments.

Sec. 352. Report on security background investigations and security clearance procedures of the Federal Government

Section 352 is similar to Section 332 of the Senate amendment. The House bill had no similar provision. The House recedes with amendments.

Sec. 353. Report on detail of civilian intelligence personnel among elements of the intelligence community and the Department of Defense

Section 353 is similar to Section 333 of the Senate amendment. The House bill had no similar provision. The House recedes.

Sec. 354. Report on modifications of policy and law on classified information to facilitate sharing of information for national security purposes

Section 354 is similar to Section 334 of the Senate amendment. The House bill had no similar provision. The House recedes with minor amendments.

Sec. 355. Report on strategic planning

Section 355 is similar to Section 335 of the Senate amendment. The House bill had no similar provision. The House recedes with minor amendments.

Sec. 356. Report on United States dependence on computer hardware and software manufactured overseas

Section 356 is similar to Section 336 of the Senate amendment. The House bill had no similar provision. The House recedes with minor amendments.

Sec. 357. Report on lessons learned from military operations in Iraq

Section 357 represents a combination of Section 337 of the Senate amendment and Section 344 of the House bill. The Senate recedes with minor amendments. The Conferees also expect that the House and Senate Intelligence Committees will receive in writing from the DCI in a timely fashion any and all status reports and updates concerning the activities of the Iraq Survey Group on a regular, periodic basis.

Sec. 358. Reports on conventional weapons and ammunition obtained by Iraq in violation of certain United Nations Security Council resolutions

Section 358 is similar to Section 338 of the Senate amendment. The House had no similar provision. The House recedes with minor amendments.

Sec. 359. Report on operations of Directorate of Information Analysis and Infrastructure Protection and Terrorist Threat Integration Center

Section 359 is similar to Section 340 of the Senate amendment. The House bill had no similar provision. The House recedes with amendments.

Sec. 360. Report on Terrorist Screening Center

Section 360 is similar to Section 345 of the House bill. The Senate amendment had no similar provision. The Senate recedes with amendments.

Sec. 361. Repeal and modification of report requirements relating to intelligence activities

Section 361 is similar to both Section 339 of the Senate amendment and Section 342 of the House bill. Each House recedes in part, with minor amendments.

Subtitle E—Other Matters

Sec. 371. Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office

Section 371 is identical to Section 351 of the Senate amendment and Section 331 of the House bill.

Sec. 372. Modifications of authorities on explosive materials

Section 372 is identical to Section 352 of the Senate amendment. It is similar to Section 332 of the House bill. The House recedes.

Sec. 373. Modification of prohibition of the naturalization of certain persons

Section 373 is identical to Section 353 of the Senate amendment and to Section 333 of the House bill.

Sec. 374. Modification to definition of financial institution in Right to Financial Privacy Act

Section 374 is similar to both Section 354 of the Senate amendment and to Section 334 of the House bill. Section 374 of the Conference Report expands the definition of ''financial institution'' for purposes of section–1 114 of the Right to Financial Privacy Act (12 U.S.C. 3414 (RFPA). It provides enhanced authority for authorized Intelligence Community collection activities designed to prevent, deter, and disrupt terrorism and espionage directed against the U.S. and to enhance foreign intelligence efforts.

The Conferees believe this new definition is necessary for effective counterintelligence, foreign intelligence, and international terrorism operations of the United States. Section 1114 currently permits U.S. Government authorities engaged in counterintelligence or foreign intelligence activities to use ''National Security Letters,'' approved by a senior government official, to obtain certain financial records from defined ''financial institutions.'' The definition of ''financial institution'' in the RFPA has been essentially unmodified since the RFPA became law in 1978. This amendment updates the definition to include those entities that today provide financial services to individuals, but would not be covered by the current definition. Financial records maintained by these entities are not currently covered by the RFPA and, thus, are not accessible by intelligence elements of the United States Government using this authority. In order to expand the definition of ''financial institution'' for purposes only of section 1114, this subsection adopts, in part, the definition of ''financial institution'' found in section 5312 (a) (2) of Title 31, United States Code. It is important to highlight that this definition also is consistent with the definition used in section 804(5) of the Counterintelligence and Security Enhancements Act of 1994 (50 U.S.C. 438).

The Conferees intend that this authority be used for accessing records and information from financial institutions for counterintelligence, foreign intelligence, and international terrorism investigations. The Conferees note, with approval, the significant actions of the U.S. Government in tracking terrorist finances. The Conferees believe that the authority granted by this section will enhance the Government's efforts in this regard. This provision allows the U.S. Government to have, through use of ''National Security Letters,'' greater access to a larger universe of information that goes beyond traditional financial records, but is nonetheless crucial in tracking terrorist finances or espionage activities. The Conferees understand that this authority should be used for accessing records and information for the purposes of identifying an individual's financial relationship with the specified financial institutions.

Section 3414 (a) (5) (C) of the RFPA requires the Attorney General to ''fully inform'' the Congressional Intelligence Committees semiannually concerning all requests made pursuant to the provision. To date, the Attorney General has limited these reports to statistical information. The Conferees accordingly request that the Attorney

General, pursuant to his responsibility to ''fully inform'' the House and Senate Intelligence Committees, include in his next semiannual report to these particular committees information about the process and standards for approving National Security Letters. The Conferees also request that the next semiannual report include a description of issues (if any) concerning the scope of such letters, or financial institution compliance with such letters, that have arisen in Federal and State judicial, administrative, and regulatory settings, or otherwise.

The Conferees have amended the provision that appeared in both the House bill and Senate amendment to ensure that all financial institutions covered by the amended National Security Letters provision are also protected by the cost reimbursement and immunity provisions of the Act (12 U.S.C. 3415, 3417). With those amendments, the House recedes.

Sec. 375. Coordination of Federal Government research on security evaluations

Section 375 is similar to Section 355 of the Senate amendment. The House bill had no similar provision. The House recedes with amendments to ensure that classified information considered during the research initiative is protected from unauthorized disclosure.

Sec. 376. Treatment of classified information in money laundering cases

Section 376 is identical to Section 357 of the Senate amendment. The House bill had no similar provision. The House recedes.

Section 376 amends section 5318A of title 31, United States Code. That section, which was added in Section 311 of P.L. 107–56 (Oct. 26, 2001), permits the Secretary of the Treasury to take targeted action against countries, institutions, transactions, or types of accounts the Secretary of the Treasury finds to be of ''primary money-laundering concern.'' The new amendment will permit the Secretary of the Treasury, in a judicial review proceeding, to submit any classified information on which such a finding, or related action, is based to the court ex party and in camera. This permission parallels the authority granted to the Secretary to submit classified information to a reviewing court in connection with any proceedings under the International Emergency Economic Powers Act. In administering a proceeding in which classified information is submitted to a court under this provision, the Conferees intend that a court will fashion procedures, necessary to assure a moving party due process of law, that resemble those already required in similar situations in which the government, or another party, seeks to base a claim or defense on classified information.

Sec. 377. Technical amendments

Section 377 is similar to Section 356 of the Senate amendment and to Section 343 of the House bill. The Senate recedes with amendments, including the addition of a technical amendment to the ''Federal Information Security Management Act of 2002'' (P.L. 107–296 and P.L. 107–347) which was included in the Senate amendment as Section 404.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Amendment to certain Central Intelligence Agency Act of 1949 notification requirements

Section 401 is identical to'Section 401 of the Senate amendment. The House had no similar provision. The House recedes.

Sec. 402. Protection of certain Central Intelligence Agency personnel from tort liability

Section 402 is similar to Section 402 of the Senate amendment and Section 401 of the House bill. The House recedes with minor amendments. The Conferees note that this protection against tort liability extends only to officials of the Central Intelligence Agency who are Agency personnel designated by the Director under Section 15 (a) of the ''Central Intelligence Agency Act of 1949'' (CIA Act) (50 U.S.C. 403o), or designated by the Director under Section 5 (a) (4) of the CIA Act (50 U.S.C. 4030 to carry firearms for the protection of current or former Agency personnel and their immediate families, defectors, and their immediate families, and other persons in the United States under Agency auspices.

Sec. 403. Repeal of obsolete limitation on use of funds in central services working capital fund

Section 403 is identical to Section 403 of the Senate amendment and to Section 402 of the House bill.

Sec. 404. Purchases by the Central Intelligence Agency of products of Federal Prison Industries

Section 404 is an amended version of Section 335 contained in the House bill. The Conferees modified the provision to better reflect actual Central Intelligence Agency procurement practices, which already conform to the goals envisioned by Section 335 of the House bill. The Senate amendment had no similar provision. The Senate recedes, with amendments as noted.

Sec. 405. Postponement of Central Intelligence Agency compensation reform and other matters

Section 405 contains language that is similar to Section 405 of the Senate amendment. The House bill had no similar provision. Section 405 includes certain statutory limitations and reporting requirements designed to address misgivings regarding the Central Intelligence Agency Compensation Reform program. The Conferees have concerns regarding the efforts of the DCI to revise and reform the compensation structure of the Central Intelligence Agency. The DCI's Compensation Reform program also has engendered anxiety among employees due to the perceived impact the system may have on retirement benefits and compensation, in general.

Subsection (b) of Section 405 addresses the potential for decreases in employee retirement benefits. The provision permits those CIA employees designated by the DCI for participation in the congressionally-directed Compensation Reform pilot program to contribute to Thrift Savings Plan accounts any part of their pay which they receive from bonus monies under the program.

Generally, under current law, Federal employees can only contribute ''basic pay'' to their Thrift Savings Plans, not bonus monies. As a result, the Conferees note that pilot program participants have not been contributing bonus monies to their Thrift Savings Plans. Under the CIA's Compensation Reform pilot program, however, participating employees will likely receive a higher percentage of their yearly compensation as performance bonuses. Treating these performance bonuses as ''basic pay'' will permit these employees to take full advantage of their ability to contribute to their Thrift Savings Plans, consistent with existing limitations on the amount of contributions to certain retirement accounts. The Conferees acknowledge that while this provision will not compensate employees for the potential reduction in their federal annuities due to possible decreases in basic pay under the Compensation Reform pilot program, it will encourage increased utilization of Thrift Savings Plans and, thus, partially offset any retirement annuity reductions.

The Conferees are cognizant of, and generally supportive of, the desire of the Administration to move to a compensation structure across government that rewards top performers (i.e., ''pay-for-performance''). The Conferees are encouraged by the fact that the CIA has sought input and guidance from the Office of Personnel Management and Office of Management and Budget with respect to any restructuring of CIA's compensation system. Prior to any Agency-wide implementation of Compensation Reform, the pilot program must first be completed, and the Conferees direct that the results of the pilot be provided to the Intelligence Committees in a written report within 45 days of the conclusion of the pilot program, as required by Section 402 (b) (3) of the FY 03 Act. The House and Senate Intelligence Committees will scrutinize closely the written report on the pilot program. The Committees must have an opportunity to weigh fully the costs and benefits associated with this particular Compensation Reform plan.

To ensure that the Intelligence Committees have a full opportunity to conduct this important review and carefully consider the results of the pilot program, the Conferees have included a provision that delays implementation of Compensation Reform across the Agency until after enactment of the ''Intelligence Authorization Act for Fiscal Year 2005.'' Implementation of the program before the Intelligence Committees have rigorously reviewed the results of the pilot, would frustrate the intent of Congress in establishing the pilot program and requiring a report on its results. The Conferees note that this provision restricts implementation of the program across the CIA until the specified date. This is anticipated to be a delay of a little less than a year, at the most.

The Conferees note, however, that ultimate acceptance (or specific statutory restrictions on implementation) of this Compensation Reform proposal certainly remains an open question. The answer to this question will very much depend on the information provided to the Intelligence Committees during the interim period, as well as the willingness of the DCI and Senior CIA managers to constructively and cooperatively engage in discussions with the Intelligence Committees on this Compensation Reform proposal. The Conferees note with approval the DCI's continued expression of his willingness to consult and cooperate with Congress in its ongoing review of this proposal. The Conferees take him at his word. As noted, the Conferees support generally the concept that the CIA compensation system needs to be reformed. The question is whether this is the right system to be adopted.

The Conferees also have added two additional reporting requirements to ensure the House and Senate Intelligence Committees are fully advised of the effects that Compensation Reform will have on employees.

The first report will compare amounts that each employee participating in the pilot program would have earned under the pre-existing compensation structure at the CIA with amounts actually earned under the pilot program.

Second, the Conferees direct the DCI to conduct a blind survey utilizing an independent, external human resource or personnel consulting organization. This survey shall be completed not later than March 31, 2004. The purpose for the survey is (1) To gauge the level of concern among all CIA employees (both within the pilot program and throughout the CIA) with the Compensation Reform program as currently proposed and (2) to ascertain how many employees currently under the pilot program, having the benefit of their participation in such program, would choose to ''opt out'' of the program if they were to be given that option. The Conferees direct that all of the questions

to be presented in the survey shall be provided in full, and in writing, to the Committees before the survey is taken. Moreover, the Conferees direct that the results of the survey shall be provided in full, and in writing, to the Intelligence Committees within 30 days of the survey's completion.

The Conferees further note that the DCI has indicated his intention to keep employees currently assigned to the pilot program within that program until such time as Compensation Reform is permitted to be implemented across the CIA or its implementation Agency-wide is otherwise restricted by Congress.

The Conferees believe that it would be appropriate for the DCI to permit employees who have been compensated under the pilot program to ''opt out'' of the system at the end of the pilot program's first year, if they desire to do so. Additionally, the Conferees believe that it would be appropriate for the DCI to provide supplemental compensation or benefits necessary to ensure that those employees who might ''opt out'' of the pilot program and who actually lost compensation, or experienced a reduction in other benefits because of their directed participation in the pilot program, are ''made whole'' by receiving an amount of compensation and benefits equivalent to what they would have received under CIA's pre-existing compensation structure.

The Conferees have not directed by statute or otherwise that the DCI provide the ''opt out'' or ''make whole'' options to those affected employees. The Conferees do, however, believe these options would be a fair method of reimbursing those employees who may have been subjected to adverse financial circumstances based on their directed participation in the pilot program. The Conferees commit the decision to institute such measures solely to the DCI's discretion.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

Sec. 501. Protection of certain National Security Agency personnel from tort liability

Section 501 is similar to Section 502 of the Senate amendment and to Section 504 of the House bill. The House recedes with amendments.

Sec. 502. Use of funds for counterdrug and counterterrorism activities for Colombia

Section 502 is similar to both Section 503 of the Senate amendment and to Section 501 of the House bill. The House recedes with amendments.

The Conferees believe that Colombian President Alvaro Uribe's approach to ending Colombia's long running terrorist insurgency and reducing narcotics production and trafficking is the best chance for that country to overcome the legacy of violence it has endured for decades. President Uribe's steadfastness in pursuing these goals takes on even greater significance when observed in the light of the sheer brutality of terrorist attacks perpetrated on innocent Colombians by narco-terrorists. Terrorist attacks on his inauguration ceremonies in Bogota make manifest the fact that Uribe himself remains a target of terrorist violence.

Section 502 allows funds available for intelligence and intelligence-related activities to be used to support a unified campaign against drug traffickers and terrorist organizations. The Administration has chosen to pursue a policy in Colombia that recognizes the inseparable nature of these two threats. The Conferees endorse this approach. This section is an indication of the confidence the Conferees place in President's Uribe's aggressive pursuit of the twin goals of ending the insurgency and battling drug trafficking.

Sec. 503. Scene visualization technologies

Section 503 is identical to Section 504 of the Senate amendment. There was no similar provision in the House bill. The House recedes.

Sec. 504. Measurement and signatures intelligence research program

Section 504 is similar to Section 505 of the House bill. There is no similar provision in the Senate amendment. The Senate recedes with amendments, including amendments to ensure that classified information considered during the research initiative is protected from unauthorized disclosure.

Sec. 505. Availability of funds of National Security Agency for national security scholarships

Section 505 has no counterpart in the Senate amendment or in the House bill. It is a provision adopted by the Managers during the conference.

OTHER MATTERS

Reaffirming the functional definition of covert action

The Conferees have taken note of the text on covert action contained in the classified annex to S. 1025, as reported on May 8, 2003, by the Senate Select Committee on Intelligence (annex text). The Conferees intend the following language to substitute for the annex text:

The Conferees attach critical importance to the requirements for covert action approval and notification in the National Security Act of 1947 (Act). In addition to the information and oversight value of mandatory notification, fulfilling these notification requirements fosters great confidence in Executive Branch covert action programs.

The Administration has amply and repeatedly demonstrated its commitment to adhere to the approval and notification requirements of the National Security Act. Neither the Administration nor the Conferees have sought or agreed to modify, amend, or reinterpret the scope of the Act, or approval and notification requirements under the Act. The Conferees expect all departments and agencies of the U.S. Government to continue to comply fully with the Act and its legislative history.

Manned airborne reconnaissance aircraft replacement

Recent military operations in Iraq and Afghanistan, along with broader requirements to support the global war on terrorism, and standing global reconnaissance requirements have placed enormous operational tempo demands on manned airborne reconnaissance platforms operated by the U.S. Army, Navy, and Air Force. The limited number of these assets and the large number of requirements placed on them have led to their designation as ''high demand/low density'' assets that have to be intensively managed by the Department of Defense (DOD) to ensure their most productive, efficient use. While many of these airborne reconnaissance platforms were initially developed for service-specific reconnaissance requirements, they have evolved over time into a patchwork airborne reconnaissance architecture that is not optimized to support national and combatant commanders' intelligence requirements.

Congress established the position of Under Secretary of Defense for Intelligence (USD(I)) in the National Defense Authorization Act for Fiscal Year 2003 (P.L. 107–314). A clear intent of that action was to create a position and an organization in DOD that would better assess service and Defense-wide intelligence requirements and better develop, coordinate and integrate current and projected DOD intelligence capabilities in support of service, joint, and national intelligence collection requirements. The Conferees expect the USD(I) to move expeditiously to establish requirements for the development of a fully integrated manned and unmanned airborne reconnaissance architecture for the future, with adequate capabilities and availability to meet projected requirements, minimize unnecessary duplication of effort, and maximize operational efficiency.

Some of these platforms, such as the Navy's EP–3E and the Army's RC–12 Guardrail, are nearing the end of their expected service lives and are in urgent need of replacement. The Conferees are concerned that while the need to recapitalize manned airborne reconnaissance platforms in a coordinated, integrated fashion is well known within the DOD, only the Army has established a formal program for replacing its legacy manned airborne signals intelligence reconnaissance platforms by the competitive development and production of the Aerial Common Sensor (ACS).

The Conferees are aware that the Navy is interested in taking advantage of the work done by the Army on ACS, and is considering the adoption of an ACS-based solution for replacement of the EP–3E. The Conferees applaud the Navy efforts to establish a joint program with the Army, but are concerned that a thorough analysis of options has not yet been conducted. While the Navy did commission an initial analysis of options, the Conferees feel a more rigorous, thorough analysis is warranted for such an important program.

The Conferees direct the Secretary of Defense to conduct a thorough analysis of options to replace the EP–3E mission capability. The analysis should be conducted as expeditiously as possible in order to avoid delaying an EP–3E replacement. The Conferees expect that the analysis should evaluate: (1) all reasonable alternatives, including all manned and unmanned replacement alternatives, such as the RC–135 Rivet Joint, Global Hawk unmanned aerial vehicle, and the ACS; (2) the consistency of the cost methodology; and, (3) a solution that maximizes signals intelligence capability, low life-cycle costs, and increases interoperability. In order to ensure the Navy makes a well-founded acquisition decision, the Conferees direct the Secretary of the Navy not to proceed with the acquisition of an EP–3E replacement until this analysis is complete and the Defense Acquisition Board approval has been granted. The Navy should use additional funding that may be available to expedite the study, analysis, and decision making processes.

The Conferees are also concerned that the Air Force has not moved more aggressively to analyze program alternatives for replacing or modernizing the RC–135, which will also be required in future years. The Conferees believe that, when it is time to replace the RC–135 platform, DOD could avail itself of more modern platforms that use state of the art technology in aircraft and intelligence collection systems, emphasize lower operating costs, and take full advantage of robust communications capabilities to reduce platform size, weight, and operational costs.

The Conferees direct the Secretary of Defense to conduct a formal Analysis of Alternatives (AOA) for replacement or modernization of the RC–135 mission. The AOA shall consider all manned and unmanned replacement alternatives, including high altitude, long endurance unmanned aerial vehicles, an ACS-based option, and more cutting edge technologies such as high altitude aero-bodies. The AOA should also specifically address the option of forming a joint program with Army, Navy, and Air Force participation.

The Conferees expect these analyses will be coordinated with the Under Secretary of

Defense for Acquisition, Technology and Logistics and the USD(I), and will be a consistent part of the comprehensive effort by the USD(I), in consultation, as appropriate, with the DCI, to establish requirements for the development of a fully integrated manned and unmanned airborne reconnaissance architecture that makes appropriate use of reach-back technology.

Development of sophisticated analytic tools

Following the terrorist attacks of September 11, 2001, the Intelligence Committees have repeatedly emphasized the importance of developing sophisticated new analytic tools to ensure the rapid processing and analysis of foreign intelligence information, as well as increased collaboration among the diverse national security elements of the Federal government. The potential value of such tools for ''connecting the dots'' is clear. The Conferees recognize, however, that advanced analytic tools, if misused, could impact the privacy of U.S. persons. Efforts by the Defense Department and other agencies to develop these tools have come under intense scrutiny for this reason. To address reservations concerning possible encroachments on individual liberties, the Fiscal Year 2003 and Fiscal Year 2004 Department of Defense Appropriations Acts (P.L. 108–7 (Division M) and P.L. 108–87, respectively) contained limitations on the development and use of certain ''data-mining'' activities.

In Section 8131 of the Department of Defense Appropriations Act for Fiscal Year 2004, and in its accompanying classified annex, the Defense Advanced Research Projects Agency's Terrorist Information Awareness program was terminated and requested funds were expressly provided to the National Foreign Intelligence Program (NFIP) to develop ''[p]rocessing, analysis, and collaboration tools for counterterrorism foreign intelligence.'' Section 8131 prohibited ''deployment and implementation'' of these tools except for

(1) Lawful military operations of the United States conducted outside the United States; or

(2) Lawful foreign intelligence activities conducted wholly overseas, or wholly against nonUnited States citizens.

The Conferees do not interpret the restriction contained in Section 8131 as a restriction on the development of analytic tools for ''processing, analysis, and collaboration tools for counterterrorism foreign intelligence.'' Instead, the Conferees recognize this language as a restriction on ''deployment and implementation.''

In the Classified Annex accompanying this Act, the Conferees have specifically authorized the use of the funds appropriated to the NFIP to continue development of advanced processing, analysis, and collaboration tools. The Conferees direct that any experiments or efforts to test these tools should be conducted only against U.S. Government databases containing foreign intelligence information lawfully collected, analyzed, retained, or disseminated under existing statutes, regulations, Executive orders, or Attorney General guidelines governing such activities, including all applicable restrictions concerning the collection, analysis, retention, or dissemination of U.S. person information. The Conferees encourage active participation in these developmental efforts by all elements of the Intelligence Community.

The Conferees are convinced, however, that an analysis of the policies and procedures necessary to safeguard individual liberties and privacy should occur concurrently with the development of these analytic tools, not as an afterthought. The Conferees recognize that current restrictions on the conduct of intelligence and law enforcement activities, as well as the protections afforded U.S. persons under applicable laws, regulations, and Executive orders, can be applied to these new tools. The Administration should also consider whether new policies and procedures are necessary to ensure privacy protections when these advanced information technology tools are utilized in intelligence and law enforcement activities. This examination should include diverse opinion and expertise and should be conducted with as much transparency as possible, recognizing the importance of protecting intelligence sources and methods.

The Conferees direct that the Attorney General and the DCI jointly provide an unclassified report, with a classified annex, as necessary, to the Intelligence Committees regarding the application of the Constitution, laws, regulations, Executive orders, and guidelines of the United States to the use of these advanced analytic tools by the Intelligence Community. This report should specifically address existing protections for the collection, analysis, retention, and dissemination of U.S. person information. Although the Conferees have not authorized the development, testing, or deployment of these advanced analytic tools against databases which contain information other than foreign intelligence information, including private sector databases, the report should address the application of existing laws or policies to searches of such databases, whether publicly or privately held, as well as any proposed modifications to laws or policies that may be necessary in the future to ensure appropriate protections for U.S. persons. The report should include an analysis of law, regulation, and policy that takes into account potential technological advances that will protect privacy interests, such as selective revelation technologies, enhanced access controls and audit trails, and techniques to ''anonymize'' U.S. person information. The Conferees believe that the Attorney General and DCI should seek input from experts in law, technology, public policy, and national security when drafting this report. This report should be provided to the Intelligence Committees no later than one year after enactment of this Act.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER J. GOSS,
DOUG BEREUTER,
SHERWOOD BOEHLERT,
JIM GIBBONS,
RAY LAHOOD,
RANDY ''DUKE'' CUNNINGHAM,
PETE HOEKSTRA,
RICHARD BURR,
TERRY EVERETT,
ELTON GALLEGLY,
MAC COLLINS,
JANE HARMAN,
ALCEE L. HASTINGS,
SILVESTRE REYES,
LEONARD L. BOSWELL,
COLLIN C. PETERSON,
BUD CRAMER,
ANNA G. ESHOO,
RUSH HOLT,
C.A. DUTCH RUPPERSBERGER,

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

DUNCAN HUNTER,
CURT WELDON,

Managers on the Part of the House.

From the Select Committee on Intelligence:

PAT ROBERTS,
ORRIN HATCH,
MIKE DEWINE,
CHRISTOPHER S. BOND,
TRENT LOTT,
OLYMPIA SNOWE,
CHUCK HAGEL,
SAXBY CHAMBLISS,
JOHN WARNER,
JAY ROCKEFELLER,
CARL LEVIN,
DIANNE FEINSTEIN,
RON WYDEN,
DICK DURBIN,
EVAN BAYH,
JOHN EDWARDS,
BARBARA A. MIKULSKI,

From the Committee on Armed Services:

WAYNE ALLARD,
BILL NELSON,

Managers on the Part of the Senate.

MOTION TO INSTRUCT CONFEREES ON H.R. 2660, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2004

Mr. KILDEE. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. KILDEE moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 2660, be instructed to insist on no less than $14,247,432,000 for student financial assistance and the highest funding level possible for subpart 1 of part A of title IV of the Higher Education Act of 1965 (the Pell Grant Program).

Mr. KILDEE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to instruct be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Michigan (Mr. KILDEE) and the gentleman from Ohio (Mr. REGULA) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the motion I am offering today asks conferees to provide the highest possible funding level for the Pell grant program. It is important to remember that the vast majority, 84 percent of the 5 million Pell grant recipients have incomes less than $30,000. Unfortunately, since President Bush took office, this program and its recipients have suffered.

During President Clinton's term the Pell grant maximum rose from $2,300 to $3,750. In contrast during President Bush's current term the Pell grant has only risen $350 in the past 2 years. All this comes at a time when the cost of college is rising significantly.

In the House and Senate fiscal year 2004 appropriations bill, these troubling trends have continued. These bills freeze the maximum Pell grant at $4,050, the first such freeze in a decade.

As a result, the maximum Pell grant would finance only 36 percent of the average individual's college cost in the 2004 academic year under the Republican bill. This is compared to 84 percent when the program was first established.

To make matters worse, the House and Senate bill were actually under the administration's admittedly paltry request, under the administration's request. This chronic underfunding, coupled with the sour economy, has led to a growing deficit in the Pell grant program. If we continue to underfund this program, this deficit is likely to grow into the billions of dollars.

Pell grant funding is crucial for those seeking to attend college. Almost two-thirds of all students must borrow to finance their college education. The average student loan debt has nearly doubled over the past decade to $17,000. Pell grant recipients are four times more likely to borrow student loans. Families of low-income, college-qualified, high school graduates face an annual unmet need of $3,800. College expenses not covered by Pell grants, work study, or student loans, $3,800.

A college education is critical to an individual's future success. Individuals holding a bachelor's degree earn an average of 80 percent more than someone with just a high school diploma. Over a lifetime, this earnings' gap for an individual with just a high school degree widens to well over $1 million. These statistics are startling and make access to college education even more important today. An investment in Pell grants is truly an investment when you see the size of that gap.

The recipients of those Pell grants will return far more to the Treasury than what we received in the Pell grants. That is not just guessing; that is going back in history to the GI Bill of Rights. No one on my side of the city of Flint, Michigan, went to college until the GI Bill of Rights came along. They went to college and they returned far more to the Treasury than what they received from the government. This is truly an investment.

Unfortunately, the Republican record on this issue is poor at best. In fiscal year 1996 House Republicans cut President Clinton's request for a $2,620 maximum Pell grant by $180. Over the past 2 years, the Pell grant has only increased $50. Both the House and Senate bills have frozen the maximum Pell grant. And now the Pell grant program is running a deficit. This deficit is very likely to increase given our current budget and economic conditions.

Mr. Speaker, this House needs to take a stand today. We need to emphatically say that we are going to reverse the trend of recent years and actually invest in the Pell grant program. Without such an investment, our students, especially the most needy, are going to continue to have the doors of college education shut in their faces.

Mr. Speaker, I urge members to support this motion to instruct.

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

Mr. REGULA. Mr. Speaker, I yield myself such time as I may consume.

(Mr. REGULA asked and was given permission to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, we could just look at this chart and I would rest my case. The blue is the Pell grant under the Democrats. The red is the Pell grants under the Republicans.

Now, I am pleased that in the motion to instruct that the gentleman from Michigan (Mr. KILDEE) is urging us to adopt the number passed that was in the House-passed bill. We did not get a vote on the Democrat side; but, nevertheless, tonight we are being asked to instruct conferees to adopt the number that was in the House bill. And that is great. It was a good number as evidenced by the chart. This chart shows the maximum award under the Pell grant program. It has grown under Republican leadership, as evidenced by the red line here. And in the labor bill it maintains the maximum award of $4,050 for fiscal year 2004. When we took control of the Congress in 1995, the maximum Pell grant under the now-minority was only $2,340. And it was funded at $6.2 billion. Today under the Republican leadership, the maximum is $4,050 and the amount in the budget authority was $12.25 billion.

I agree with the previous speaker, this is a great program. It gives middle-income students access to college. In 2004 there will be about 4.9 million students, almost 5 million students that will have a chance to go to college because of Pell grants. In the last 2 years, the number of Pell grant recipients has surged by 25 percent. It is a good example of a need-based program meant to open doors and provide an equality of education opportunity. The poorer the student, the larger the award. It is a means-tested program, so it recognizes that those with the most need get the most help. It is an example of the Federal Government enabling school choice for millions of Americans. They can use their Pell grants for public or private schools; they can use them to attend religious schools. Real choice is one reason that this country's higher education system is the envy of the world.

And let me emphasize that in 2004 not one student will see their Pell grant reduced based on their circumstances. I think it is a record we can be very proud of. We can be proud as a Nation that we are providing some help to students to ensure that they have access to higher education. I think more and more we come to realize how important it is for individuals to get access and opportunity to get the benefits that go with higher education.

Personally, I would like to see the school system become seamless: from the day that student ends the first grade that they think in terms of going through 16 years and getting the college education, that we do not think there is a stopping place, that the student thinks in terms of their future ending up with some type of education beyond high school. The Pell grants ensure that every child will have an opportunity that might not otherwise get that chance.

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

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the motion that was read, that is for overall student aid. We maintain the House level, which is higher than the level of the other body. But we also ask that for the Pell grants we reach the highest grant level possible.

Mr. Speaker, I yield such time as he may consume to the ranking member of the committee, the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman from Michigan (Mr. KILDEE) for bringing this motion and giving us an opportunity not only to speak on this issue but also to hopefully persuade the conferees to do as we suggest in his motion, and that is to seek an overall funding level of at least 14.3 million for student aid and the highest possible level for the Pell grant program.

Today we are faced with the critical need to expand opportunities for low- and middle-income students to access college education. Too many students are forced to take on high loan debt, work long hours, and forgo college all together. Typical middle-income students face a $3,000-a-year unmet need after all grants, loans, and work study, while the typical low-income student faces an unmet need of some $3,800. For millions of laid-off American workers, additional education training is the key to successfully reentering the workforce. Without additional student aid, these workers will remain jobless for a longer period of time than necessary, or they may remain jobless for a very, very long time because of failure to adapt their skills to the changing marketplace.

In California, alone, more than half a million students workers who were retained rely on the Pell grants to attend college. Today the average Pell grant of $2,415 is worth approximately $50 less in real terms than it was almost 30 years ago. And that is the reason we are asking to hopefully honor these higher levels of the House-passed legislation.

□ 2030

Pell grants now represent just 11 percent of all student aid compared to Federal loans, which represent 45 percent of all student aid. Thirty years ago, the two major grant programs, Pell and the supplemental education opportunity grants, accounted for more than 40 percent of all student aid. Today, they account for less than 20 percent.

Just as a higher education and student aid has become more important to

our national security and economic prosperity, President Bush called on them to cut the maximum Pell grant, and the Republican 2004 Labor-HHS freezes the maximum Pell grant at $4,050.

In addition, the Republican 2004 Labor-HHS bill slashes the Bush administration's overall Pell budget request by $465 million.

We should support, and not oppose, efforts to meet our critical national, economic, and security needs. Yet the Republican 2004 Labor-HHS bill not only fails to meet those needs but also fails to meet the needs of current and future college students.

I urge my colleagues to vote ''yes'' on the Kildee motion to support these higher levels of funding, and I would say to my friend and colleague from Ohio (Mr. REGULA), the chairman of the subcommittee, that we would like to share a little credit for those increases in Pells since we had a Democratic President a number of those years. We had a Democratic Senate, and we would like to think we participated in that effort.

What troubles us is the right-hand edge of that chart where it is topping out. It is sort of hitting a plateau and kind of running along there without those increases. The gentleman has been a champion of education. I could not feel anymore comfortable than making the plea to him because I spent many hours with him on elementary and secondary education and higher education, and all of the issues that confront these institutions; and we have tried, I think, in our best wisdom to try and improve those institutions.

Clearly, we are now seeing part of it is the turmoil in the economy, part of it is the turmoil in State budgets; but students are not able to put together the financial wherewithal, and especially low-income students are starting not to apply to colleges and universities, and we know that we need them to do this.

The gentleman and I have sat through numerous conferences where they have now made clearly the determination in the employer community that what the student needs for entry level jobs, if that job is in any way going to lead to a career, they need the same set of skills, talent, and education one would receive in an AA degree, as they would just for entry level, but for many students, especially those from low-income communities, that means that they have got to have some financial assistance for those 2 years of college as they try to acquire those skills. Should they desire to go on, obviously the burden gets greater.

So I guess we do not feel that this is falling on deaf ears with the chairman because he has been a champion. We are hoping, and I think he started in the omnibus appropriations bill this evening the negotiation and maybe the Labor-HHS bill ends up in that appropriations. We are hoping that as all of those figures are moved around and those decisions are made that this is sort of our last plea to try and meet these numbers so that we can attend to the problems of low-income students who have worked hard in high school, become eligible to go on to community college, to 4-year colleges, to universities and that the financial support system is what really stands in their way.

We would hope that when we vote on the Kildee motion, I guess we will vote tomorrow, we would hope that it would be overwhelmingly in support of that motion and that message would be carried into the appropriations deliberations over the next couple of days and over the weekend, if necessary, in order to hammer out a budget that we could all support for Pell grants and for student aid.

I want to thank the gentleman who has been involved so many years in higher education, on the authorizing committee, the gentleman from Michigan (Mr. KILDEE), for offering this motion; and we look forward to everyone's support for this motion.

Mr. REGULA. Mr. Speaker, I yield as much time as he may consume to the gentleman from Pennsylvania (Mr. PETERSON), a very valued member of the subcommittee.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the chairman for yielding me the time, and I would like to commend the chairman for his leadership on this issue. I know the gentleman from Ohio is a strong supporter of education.

I want to congratulate the Democrats for coming aboard. Where were they in July when the chairman was funding Pell grants at the level they now want to support? Where were their votes then? Or was partisan politics more important?

I think the record speaks for itself. We talk about a plateau up here, which may be a plateau in the maximum grant, but it is not a plateau in money.

Last year, it was $11.365 billion; this year, $12.250 billion, almost a $1 billion increase; but that has been absorbed by the increased number of students. In fact, from the beginning of this chart we were talking about 2.9 million students, and at the end of this chart we are talking about 5 million students. So the growth in the program has been immense.

Those who criticize the plateau we have reached here in the maximum grant, let us go back to 1992, to 1993 where there was a huge decrease; 1994, a continued decrease; 1995, a slight bump but still way below 1991 and 1992. I do not know what was going on then, but my colleagues were in control, and it shows the blue part here where the real money for Pell grants was not put in the budget.

The increase of the maximum grant was not flat. It actually was declining over a 3-year period. So there is no decline up here, and the reason there is not growth is a strong growth in the number of students at a time when budgets are tight, but we want to congratulate my colleagues today for joining support of the House numbers.

As we review the education issues, I think we had a chart up here last week on special education or whether it is Pell grants or whether it is funding for other education programs, since 1996 the Republicans have put money on the table for the youth of this country. More money in an 8- or 9-year period than has even come close to in 8 or 9 years prior to that. That chart last week on IDEA was almost the same as this, almost flat funding for 9 or 10 years, and then a strong, steady escalation.

We would like to have this chart going on up, but if we had not picked up the number of students we picked up last year, we could have, because we are putting in about $1 billion.

Let us join hands, but let us be fair. Pell grants are the gas and oil of education for the young people of this country, especially for the poor. They are the grants that give people help, and I can think of lots of them in my family. My younger brother was the first one to receive a college education. It was not available, Pell grants and other grants were not available in Pennsylvania when I was in high school. I never had the opportunity to go to a college. Why? I looked at being in medical school. My family was too poor. There was no State help. I looked at going into forestry and found out we could not afford that.

So the minute I graduated from high school I went to work and built a life with hard work; but my younger brother went to the military; and it was through that program, after he came back from Vietnam, that he got the first college education in our family, my brother Bruce, and I am very proud of him. It took him more than 4 years to do it, took him a while to get his act together, but he got a college education because the military system assisted him.

Yes, this program is vital to our future, and we are glad my colleagues are here tonight to support the Republican position that was here in July but was not adequately supported from their party. Pell grants are not about Republicans and Democrats. They are about kids, and I will stand on this record of achievement anytime.

We always wish it could have been better, and the grant may have flattened out in its maximum grant; but the number of students, if we had that chart would show us continuing to go up because we have a lot more students getting them. We have a record of success. We thank my colleagues for joining us. Just wish they had been here in July.

Mr. KILDEE. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend and leader from Michigan for yielding me this time, and I appreciate and commend to him bringing this motion tonight. This is a very important

program in regards to higher education funding, and the gentleman from Michigan (Mr. KILDEE) is someone who probably has more institutional knowledge in regard to the education programs and the funding of education programs than anyone else in the House of Representatives.

I think this is an important motion. It is a timely motion because of the trend that will be set here with the precedent being created in the next fiscal year as far as freezing the average Pell grant award given in this country. But just to be clear, the motion calls for not less than the House number that we should strive for in conference, and I appreciate the work the chairman has done in regard to the defense of education funding programs. He has been a champion in this issue. But what is being called for now is for the first time in over a decade freezing Pell grant awards at $4,050. If this goes through, this will affect adversely 86,000 more students who would normally qualify for Pell grants, but will be shut out of the system.

In Wisconsin, the State that I represent, we have 58,000 students who rely on Pell grants in order to go on to post-secondary education opportunities. There are five State universities in my congressional district alone. Thousands of students in Western Wisconsin rely on Pell grants in order to open up the doors to higher education.

Not only by underinvesting in this area will we have an adverse impact on future economic growth. I submit that it is going to have national security implications as well. I think this body would be well served to spend a little time studying the trends of places like China and India and the education infrastructure going on in those countries and the numbers of undergraduates that they are producing every year, which are going up year by year, including more engineering students being graduated in China and in India; and if we do not invest in the future of our country, our youth, we are going to leave them in a tough position to be able to compete in the global marketplace, not to mention perhaps slipping in regard to the technological edge and superiority that we now hold as a Nation compared to other nations that are investing in this area.

Just as an example, China yesterday announced that they are going to increase the fuel efficiency standards for the cars sold in China at higher standards than what exists here in the United States of America. Part of that is going to involve advances in technology to enable them to do it. It is an embarrassment that China is taking this unprecedented step, and we know in our gut that we should be doing it here as well.

When the original Pell grant program was passed many years back, it accounted for roughly 86 percent of the cost of a student with tuition and fees and room and board. Today, that slips below 50 percent. Now there is greater reliance on loans for students to finance their education.

Again, in my congressional district, the average student, when they do graduate from a 4-year university, is facing on average about $17,000 of debt coming out of school because of the greater reliance on loans as opposed to these grant programs. We are forcing them to dig a fiscal hole at a crucial time in their life when they are trying to start a career, have a family, have children, and this trend has been going on for some time.

My colleagues on the other side are finally pointing to the graph and that, but they often neglect it was President Clinton that was forcing this investment in college education programs, why we saw the consistent trend line in the 1990s; but let us also remind ourselves that he was doing that in the context of balanced budgets and budget surpluses, because there is nothing easier to do in this place than to pass a bill that is not paid for, and this has been a consistent trend for the last few years: a $30 billion energy bill yesterday, perhaps a $400 billion prescription medication bill later on this week, not paid for, all deficit financing. That is easy politics to support, but when the Clinton administration was increasing Pell grant awards during the 1990s, we were doing it in an era of budget surpluses, with fiscal discipline and fiscal responsibility.

Hopefully, they are not crowing too loudly in regard to what was occurring in the 1990s versus the freeze now that we are seeing under one-party control here in Washington.

□ 2045

This is an important program. It does affect so many students. Again, by freezing not only the Pell Grant program but by freezing all campus-based student aid programs, college work study programs, SEOGs, Perkins' loans, the LEAP program, we are going to be forcing more and more students to have to build a debt route to finance their schooling, but more importantly closing the door of opportunity for many students who would otherwise qualify for higher education, but will not be able to afford it because of the lack of resources that are available.

So I hope that my colleagues support this motion. I commend the gentleman from Michigan for raising this issue in a timely basis. Again, I commend the work that has been done even on the other side, of the chairman in his defense of a lot of education funding in this fiscal year and also in past years. But this is important and we should not lose sight in regard to the crucial investments that have to be made for the future of our country, the youth of our Nation.

Mr. REGULA. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Speaker, the gentleman from Wisconsin made a statement that I guess we were confused about. He talked about a number of students that would not get grants under this program. I wonder if he could give us that information again. We did not understand it.

Mr. KIND. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Pennsylvania. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Speaker, I would be happy to clarify my statement. By freezing the Pell Grant award in regard to the funding level that is established, there has been a score indicating that 86,000 more students who would otherwise qualify for Pell Grant funding will not qualify as a consequence. This is nationwide, not just in the State of Wisconsin.

Mr. PETERSON of Pennsylvania. Reclaiming my time, Mr. Speaker, what does the gentleman mean? If a person qualifies for a Pell Grant, the program borrows money, if I understand it correctly, and then we have to replenish it. But anybody who meets the criteria of the Pell Grants will receive the Pell Grants, whether we budget enough money or not; am I correct?

Mr. REGULA. That is right.

Mr. KIND. Mr. Speaker, if the gentleman will continue to yield so that I can clarify myself, it is in the context of all the regulatory changes as well that the administration is proposing in the formula and the effect that that would have on the 86,000 students in this country that this side is very concerned about and we are hoping to engage our colleagues' support on the issue as well.

Mr. PETERSON of Pennsylvania. Well, Mr. Speaker, again reclaiming my time, I personally have no understanding of how a student who qualifies for a Pell Grant will not receive Pell Grants. The gentleman is talking about a number of issues here, but I think he is misleading the American public a bit with that statement. If someone qualifies for a Pell Grant, whether we adequately fund the program or not this year, it will be backfilled next year.

And so I hate to leave young people in America with the perception that this budget could disqualify them from a Pell Grant, and if we did something different that they would get a Pell Grant. I think that is a little less than accurate.

Mr. KILDEE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Speaker, let me thank the sponsor of this motion for all the work that he has done. And let me say, I do not believe there is anyone in this Chamber who would be more enthusiastic about fully funding and making available higher education opportunities than the gentleman from Ohio, who is the chairman of this subcommittee.

I think that none of us come to this floor tonight, at least I do not, as part of some partisan attempt to win a few

debating points. The future of the young people in our country is much too important for us to make this a partisan back and forth.

I went to a number of institutions, but before I went to the University of Pennsylvania and to the Kennedy School at Harvard. I went to the Community College of Philadelphia. I went there able to enroll with the basic educational opportunity grant, a Pell Grant recipient, when I started out as a college student. I have at home tonight two young children, one 5 years old and another just 8 weeks old, and two older ones who have matriculated most of their way through higher education, one through law school and another who is finishing a business education at a university home in Pennsylvania.

I served with the gentleman who just spoke from Pennsylvania for a long period of my years in the Pennsylvania Senate and House, and during that time served in a leadership role at the Pennsylvania Higher Education Assistance Agency, where over a million young people were provided, through State grant assistance, the opportunity to go to college. We just launched in Philadelphia an effort where we secured some $40 million through local funds to make sure that every graduate of our public schools knows with a certainty that they can go on to college.

This question of the future of our Nation is not just one for my daughters at home, Cameron and Chandler, but it is really the shaping impulse of the future of our country that we not focus so much on the next election but that we focus on the next generation. We need these young people to be college educated in order to have an economy that works.

I do not think anyone would suggest that since not one Republican voted for the Clinton economic plan that somehow they were not for 20 million new jobs, or they were not for balanced budgets, or they were not for the surpluses that were generated during the Clinton years. Those Democrats that found some question about this appropriations bill earlier in this session were voting because they wanted more done, not less done. And we come here tonight to join with the chairman and to say that at a minimum the conference committee, which both of us serve on, should do at least as much as the House has suggested that we do.

Mr. REGULA. Mr. Speaker, I yield myself such time as I may consume, and let me make a couple of points here.

One, not one student will be denied a Pell Grant that meets the qualifications. Number two, the formula is written into the law, and we are not changing the formula. So the maximum amount will remain the same. And, number three, on July 10, 215 Republicans voted for the bill, and my colleagues tonight are saying in this motion that they agree with the number that was adopted then.

We support the motion because the motion is saying do what the Republicans did on July 10 in terms of funding the Pell Grants. We are totally in agreement. We were in agreement then, and we are in agreement tonight. We like the program. We want to make sure that every student that meets the criteria of need will have an opportunity.

So we do not have a disagreement tonight on what we are trying to accomplish, and we are pleased that the other side has this position tonight. We wish our colleagues had had it on July 10, but we welcome your support tonight and will join you in this motion.

Mr. FATTAH. Mr. Speaker, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Pennsylvania.

Mr. FATTAH. Mr. Speaker, as we would have wished that there would have been at least one Republican that voted for the Clinton economic plan, there are times in which clarity on these issues is not as readily available.

But I want to thank the chairman for all that he has done, and we hope that in this conference that we will do at least as much as the gentleman was able to get the House to do.

Mr. REGULA. Mr. Speaker, reclaiming my time, we would like to do that, and we will certainly make every effort because we have not changed our minds since July 10 that this is a good program and should receive the funding that was incorporated in the bill at that time.

Mr. FATTAH. Mr. Speaker, if the gentleman will continue to yield, I will conclude by saying that I would hope there would come a day we could guarantee that every American youngster would be able to qualify for a Pell Grant or some vehicle for them to go on to college.

The gentleman has done a lot of work with me on GEAR UP and other projects, and we are doing a lot, but there is more to be done because millions of our young people in this country do not yet know with a certainty that they can go to college, and we have not, in this time of high tuition increases, kept pace. That is all we are asking tonight; that we do as much as we can do at this moment in time.

Mr. REGULA. Once again reclaiming my time, Mr. Speaker, we are in agreement on Trio and GEAR UP, and I think the gentleman would be in agreement that we make the system as seamless as possible so that these students will enter kindergarten and the first grade with the idea that they are going to go all the way. And part of that would be the Pell Grants, to ensure that, regardless of their economic circumstances, and that is often beyond their control, but that they are still going to get that kind of an opportunity.

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

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume, before I recognize the gentlewoman from New York, to say that we, obviously, are concerned and worried that whenever a conference committee meets that the House may come back with something less than what was in the House version of the bill. That is why this motion calls upon the conferees to provide no less than the House level for overall student financial aid and the highest amount of funding for the Pell Grant program. Because strange things have happened in conference before.

Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I want to join my colleagues in saying that we appreciate all the good work that the gentleman from Ohio (Mr. REGULA) has done, and we know of his great, great commitment. I have had the privilege of serving on the committee with him, and we know of his great commitment to education. And I feel confident that if the gentleman himself could put more money into the Pell Grants and into this bill for education that he would like to do so. I know that sometimes these decisions are not just left up to the chairman.

But I do hope that we can get together, Democrats and Republicans, and support the motion of my good friend, the gentleman from Michigan (Mr. KILDEE); that we can work together to hopefully get more money, but, clearly, no less than was in the House bill, because that is the important point we want to make together.

We know the facts, Mr. Speaker. Over the next 10 years, more than 16 million students will be enrolled in America's colleges and universities preparing for the challenges of a high-tech economy and a highly-educated and productive workplace. Yet, affording higher education does remain a serious challenge for so many Americans.

I meet with college students often, and I recently met with several students to discuss the high cost of college tuition. The chairman and I know that most of these students are working two and three jobs. With the cost of college increasing faster than the rate of inflation, many of these students are really struggling just to pay the bills. In fact, one student at a local college told me that his parents were denied credit in purchasing a house because of all the outstanding student loans he is wearing around his neck, and it is so very difficult for him.

We understand how important an education is, and an advanced degree should not be this difficult or this costly. One would hope that during these hard economic times students attending college could count on greater support from the Federal Government, and that is what this is all about. As hard as Chairman REGULA worked, and many of us were prodding us all on, neither the House or the Senate bills increase the assistance. For example, we know that the maximum Pell Grant is frozen at $4,050.

And let me remind my colleagues, I think it is important to note that when the Pell grant was started in 1975, the grants paid about 84 percent of college costs and it now pays only 41 percent. So the average student loan debt has nearly doubled over the last 5 years. Last year, the average undergraduate borrower left school with nearly $17,000 in debt due to Federal student loans. With nearly 64 percent of students depending on student loans, how can we in good conscience, Democrats and Republicans, all of us, keep the Pell stagnant and flat fund the very programs that encourage States to implement needs-based aid, especially when colleges across the country are instituting record-high tuitions to make up for faltering State budgets and decreased philanthropy.

So in conclusion, let us remember that over the course of a lifetime, a college graduate can expect to earn $1 million more than a high school graduate, and clearly making college accessible to all Americans is a sound investment. So what I am really hoping with this very important motion, and I want to thank my friend, the gentleman from Michigan (Mr. KILDEE), and I hope that Democrats and Republicans will support it, that we work very, very hard to help the 2.9 million graduating high school students, the 5 million Pell Grant recipients, and the millions of Americans who rely on student aid programs to make attending college a reality.

Once again, I know of Chairman REGULA's deep commitment to education, and I know that in the conference he will do everything he can, and I hope that at a very minimum the House number is kept and that we will not go below it. Because we all who are committed to education and working so hard on this very important committee, which we treasure, we all hope that we can increase these numbers in years to come because we both understand the importance of it. So let us make sure we do not go below the House number.

□ 2100

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

Mr. KILDEE. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentleman from Michigan (Mr. KILDEE) for this motion, and I want to thank the gentleman from Ohio (Chairman REGULA) who certainly has the best of intentions, but there are times when a motion to instruct can help a well-meaning chairman get the most out of a conference.

As the gentlewoman from New York (Mrs. LOWEY) pointed out, Pell grants have eroded in their purchasing power. They were intended to provide three-quarters of a typical college tuition. Now it is maybe a third.

Furthermore, as the gentleman from Pennsylvania (Mr. PETERSON) and the gentleman from Ohio (Mr. REGULA) pointed out, the dollar amount is in statute and so no student is going to lose the Pell grants this year; but as long as we continue to underfund them and borrow money from subsequent years so we can pay the tuition for this year's students, the program is not healthy and that needs to be adjusted. I join with my colleagues and echo the comments of the gentleman from Michigan (Mr. KILDEE) and others in this motion to instruct.

I would like to take an opportunity to talk about another issue regarding Pell grants and their affordability. In May of this year, the Department of Education published updates to the allowance for State taxes and other taxes that are used by students and their families to calculate the expected family income, or what they know as the EFC. The EFC is the amount students and their families are expected to contribute toward college in a given year, and a family's EFC determines eligibility for Pell grants and other Federal aid, and many private institutions use EFC to determine eligibility for private financial aid.

Unfortunately, the Department's change in how the State and local taxes are figured into a family's ability to pay will increase the contribution expected from the family for nearly all American families. While the impact of increases in EFC will vary from student to student and family to family, it will reduce aid for many students. In fact, the Department of Education recently determined that the changes in the State and local tax allowances would cause about 84,000 students to lose their Pell grants entirely and would reduce Pell grants overall by maybe $300 million. Students will lose many other types of Federal, State, and private assistance as well under this new calculation.

At a time when tuition costs are rising and the economy is sputtering, it is troubling that the administration would make any changes, any changes that would reduce financial aid. Furthermore, these changes are grossly unfair. They reduce the credit that families get for paying State and local taxes at the very time when they are paying more State and local taxes.

According to the National Association of State Budget Officers, State taxes increased by more than $8 billion in fiscal year 2003 and will grow even more, maybe $17 billion, in 2004. When the Senate considered the Labor-HHS appropriations, Senator CORZINE offered an amendment to block these new changes from the administration, and it passed on a large bipartisan vote.

The gentleman from Florida (Mr. KELLER) and I, along with 75 other Members, including the gentleman from Michigan (Mr. KILDEE), have written a letter to the appropriators urging Congress to retain the Corzine amendment so that in this conference or in any other bill that includes fiscal year 2004 funding for the Department of Education, the cuts would be restored.

Mr. Speaker, I urge Members to stand with America's college students in supporting the Corzine amendment in conference and in supporting the Kildee motion.

Mr. REGULA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let us be clear, there are no students going to be cut off. Those that meet the qualifications are going to get the grants in accordance with their family's economic situation. The formula is written into the law. We are not changing that.

Secondly, what this motion proposes is to do exactly what the House did on July 10. We welcome the support of the other side of the aisle and the fact that they are joining the 215 Members that voted for the bill that contain the Pell grant numbers exactly as are being proposed tonight, and we certainly support the motion to instruct because this motion is instructing House Members to do what we did on July 10. We are happy to join the other side in this effort and hope on a bipartisan basis prospectively in the future that we retain strong support for Pell.

All of the arguments that have been made tonight are very compelling, and it is what I would like to see, and that is to get the system seamless so that young people think in terms of 16 years, because if America is to be competitive in the years ahead, we need a very well-educated population. We have seen time and again how important that is to the future of our Nation.

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

Mr. KILDEE. Mr. Speaker, I yield myself the balance of my time.

Parliamentary procedures did not enable us to ask for a higher amount, or we would have asked for a higher amount.

The motion calls upon the conferees to provide no less than the House level for overall student financial assistance and the highest amount of funding for the Pell grant program.

Without adequate resources in this program, low- and moderate-income students will not be able to gain a post-secondary education. College costs are soaring, we know that. So much so that Democratic Members introduced legislation today to help hold down college tuition increases. But without additional Pell grant funding, our neediest students are going to continue to be left behind.

This Congress is able to pass massive tax cuts, which I voted against, for the wealthiest in our Nation; yet the maximum Pell grant has barely been increased since President Bush entered office. The Pell grant program is running a deficit. This deficit is likely to increase based on the likely outcome of this conference, and that is our concern.

The President's record on Pell is clear. Pell grant funding has not been a priority since President Bush took office. Increases in this account have largely been due to Democratic efforts

to raise funding. In order to ensure a well-educated workforce, we need to provide opportunities for all individuals to gain a college education. Low- and moderate-income individuals need Pell grants to attend college. It is that simple. Unless we make Pell grant funding a priority, we are not providing everyone, regardless of their economic means, with a college opportunity. I urge Members to support this motion.

Mr. CASTLE. Mr. Speaker, I rise today in support of the Kildee Motion which recognizes what the House, and Chairman REGULA, have done to increase funding for our student financial assistance programs. It is my hope that the conference report will sustain these increases and that this Congress will maintain our consistent support for higher education.

The vital programs at hand increase access to higher education and help to make college more affordable for students and parents across the country. While student aid is key these increases are not the sole solution to the crisis we are facing in American institutions of higher learning. Statistics show college tuition has been increasing well beyond the cost of living, causing students to graduate with incredible debt. For example, over the past 10 years, after adjusting for inflation, average tuition and fees at both public and private 4-year colleges and universities rose 38 percent. This is an extraordinary problem, a problem that I am dedicated to understanding and addressing.

I have always argued that increased funding must be accompanied by fundamental reforms. It is incumbent upon us, as legislators, to make every effort to ensure taxpayer dollars are spent carefully and effectively. Increasing federal spending will never eliminate all barriers to higher learning, as the pace of tuition is growing too fast. The Committee on Education and the Workforce is in the process of reauthorizing the Higher Education Act and I am confident we will do all that we can to tackle rising tuition and fees in a meaningful manner.

In my opinion, one way we can begin combating rising costs is by empowering parents and students with information. Imposing more transparency into the process will require schools to answer to the consumer about the where their money is going, the choices that school is making, as well as their efforts to contain costs. In essence it becomes a team effort where the winners are the student.

I believe in a balance of adequate education funding and fiscal constraint. Considering our current domestic and international responsibilities, I believe the House Labor, Health and Human Services and Education Appropriations Act represents a delicate balance between increased funding for all federal education programs and fiscal restraint. I supported these levels when they passed the House in July and I support them again today.

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

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Michigan (Mr. KILDEE).

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

Mr. KILDEE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–382) on the resolution (H. Res. 449) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 78, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2004

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–383) on the resolution (H. Res. 450) providing for consideration of the joint resolution (H.J. Res. 78) making further continuing appropriations for the fiscal year 2004, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2417, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–384) on the resolution (H. Res. 451) waiving points of order against the conference report to accompany the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNIVERSARY OF THE DEATH OF ISRAELI PRIME MINISTER YITZAK RABIN

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

Mr. MORAN of Virginia. Mr. Speaker, earlier this month marked the anniversary of the death of former Israeli Prime Minister Yitzak Rabin. A true man of peace, his life was tragically cut short during a rally for peace in Tel Aviv.

Yitzak Rabin was a hero dedicated to the security, the stability, and the success of the State of Israel who gained trust among Israelis and among Arabs. His strength, courage, and commitment to peace in the Middle East has inspired thousands. Although his dream for peace has not been realized, his vision has not faded from our hearts.

I rise today to commemorate the life and achievements of this extraordinary statesman. May his vision inspire and endure for generations to come, and may we pay tribute to his legacy by continuing his quest for peace in the Middle East.

Mr. Speaker, I will insert in the RECORD at this point Yitzak Rabin's last speech which he delivered the night of his assassination.

THE LAST SPEECH—PEACE RALLY, KINGS OF ISRAEL SQUARE, TEL AVIV, NOVEMBER 4, 1995

Allow me to say, I am also moved. I want to thank each and every one of you who stood up here against violence and for peace. This government, which I have the privilege to lead, together with my friend Shimon Peres, decided to give peace a chance. A peace that will solve most of the problems of the State of Israel. I was a military man for twenty-seven years. I fought as long as there were no prospects for peace. Today I believe that there are prospects for peace, great prospects. We must take advantage of it for the sake of those standing here, and for the sake of those who do not stand here. And they are many among our people.

I have always believed that the majority of the people want peace, are prepared to take risks for peace. And you here, by showing up at this rally, prove it, along with the many who did not make it here, that the people truly want peace and oppose violence. Violence is undermining the very foundations of Israeli democracy. It must be condemned, denounced, and isolated. This is not the way of the State of Israel. Controversies may arise in a democracy, but the decision must be reached through democratic elections, just as it happened in 1992, when we were given the mandate to do what we are doing, and to continue to do it.

I want to thank from here the President of Egypt, the King of Jordan, and the King of Morocco, whose representatives are present here, conveying their partnership with us on the march toward peace. But above all—the people of Israel, who have proven, in the three years this government has been in office, that peace is attainable, a peace that will provide an opportunity for a progressive society and economy. Peace exists first and foremost in our prayers, but not only in prayers. Peace is what the Jewish People aspire to, a true aspiration.

Peace entails difficulties, even pain. Israel knows no path devoid of pain. But the path of peace is preferable to the path of war. I say this to you as one who was a military man and minister of defense, and who saw the pain of the families of IDF soldiers. It is for their sake, and for the sake of our children and grandchildren, that I want this government to exert every effort, exhaust every opportunity, to promote and to reach a comprehensive peace.

This rally must send a message to the Israeli public, to the Jewish community throughout the world, to many, many in the Arab world and in the entire world, that the people of Israel want peace, support peace, and for that, I thank you very much.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. MCCOTTER) is recognized for 5 minutes.

(Mr. MCCOTTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

WHAT SENIORS WILL REALLY PAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, we are going to be voting before the end of the week on probably one of the most sweeping reforms in Medicare in the history of the program, and it is going to involve prescription drug coverage for seniors. There is a lot of misunderstanding about the bill, mainly because the bill has not been reported out of the committee yet; but we have gotten a synopsis of the bill, and I think it is important to see what this is really going to do.

Tonight, and I am going to be doing this every night, tonight I have a chart that shows what seniors will really pay on average. This is an average. If we look at the chart, the annual premium that seniors will pay every year is $420, and then they have a $275 deductible which totals $695. Then they will pay 25 percent of the next $1,925. The government will pay 75 percent, and that is a figure of $481. If we add those together, that is $1,176. And when we take out the amount that the senior is going to pay as opposed to what the government is going to be pay, for that $1,176, the senior will be getting $1,444.

After that there is what they call the doughnut hole: from $2,200 to $5,044 there is no coverage. So seniors will be required to pay on average about $2,844. If we add the other costs I enumerated, we are looking at a total cost to seniors on an annual basis, if they get about $5,000 in expenditures, they will pay $4,020 and the government will pay $1,444 of the total figure.

The fact of the matter is the senior will be out $4,020, and the government's part will be $1,444. I think it is very important that we make certain seniors understand this before we pass this bill because I think most seniors believe they are going to get first dollar coverage or get very broad coverage in a very short period of time, and this will be a big disappointment to them, in my opinion.

The other thing I would like to point out is the cost of Medicare and Medicaid.

When I first got elected to the Indiana General Assembly, and I served in the Indiana State Senate, we were blackjacked by the Federal Government into taking Medicaid. At that time they told us it would cost about $20 million per year for the Medicaid bill.

□ 2115

Medicaid in Indiana this past year was $1.3 billion for our share and $2.5 billion for the Federal Government share. If you just take the Indiana share, you will find that it is about 70 times what the initial cost was of Medicaid. So it went up 70 times since 1969. If you look at Medicare, Medicare was passed in 1965 and in 1967 Medicare cost, across the country, $3 billion. In 2001, Medicare cost $241 billion. I think it is very important that we put all this in perspective, because Medicare went up 80 times since 1965, Medicaid went up 70 times since 1969. And so we can anticipate that there will be a rapid growth in the prescription drug coverage as seniors find out what they are not getting and what they expected.

I would like to say to my colleagues on both sides of the aisle, seniors need to get the facts. The fact is they are not going to get the benefits that they think they are going to get, and if they do get the benefits that they think they are going to get, the cost is going to be much higher than the $400 billion over 10 years they have talked about. As a matter of fact, I have been told, and I cannot verify this, that CBO has said it is going to cost $432 billion over the next 10 years, and the bill has not yet been reported to my knowledge out of committee.

I think this is very, very important. AARP, the senior organization, has said this is a very beneficial thing for seniors, and it is a good first step. I think they realize that when seniors find out about this, they are going to demand more. I can understand that. So what will happen, I believe, is what happened in 1988 when we passed the catastrophic health care bill. Seniors thought they were getting a good deal. I voted against that bill. There were 11 of us that voted against it in 1988. We were castigated by senior groups and seniors across the country because they said we did not care about them. But a year and a half later, when seniors found out what was in the bill, they were chasing Dan Rostenkowski, the chairman of the Committee on Ways and Means, down the street with umbrellas, beating on his car saying, what have you done to us and the bill was repealed within a short period of time.

I am going to make a prediction tonight. If we pass this bill in its present form, I believe that the seniors are going to be very upset not only with the Congress, but with AARP and other groups that say this is a very good first step. Because when they find out that the benefits that they anticipate are not there, they are going to be very angry just like it was in 1988. I would like to say to my colleagues, let us do what absolutely must be done to help seniors. Seventy-six percent of the seniors have a plan where they get their prescription drugs already. Twenty-four percent do not. We ought to help the 24 percent who do not. Those are the ones that we need to be helping. If we did that, I think we would solve a large part of the problem.

I will be back tomorrow night.

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER

Mr. CUMMINGS. Mr. Speaker, I ask unanimous consent to take my special order time out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

IN MEMORIAM: HOWARD PETERS RAWLINGS, 1937–2003

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. Mr. Speaker, I rise to remember and honor a teacher and mentor and a friend, a dedicated husband and father from my hometown of Baltimore who rose from modest beginnings to lift up the people of his community and the State of Maryland.

Howard Peters Rawlings spent his earliest years in Baltimore's Poe Homes public housing project. However, when he finally succumbed to cancer on November 14 of this year, he had become one of the most influential and well-respected leaders of the great State of Maryland. Pete Rawlings' life exemplified the character and integrity that all Americans should seek to achieve in their own lives. That, Mr. Speaker, is why I ask that we pause in the work of this great House to reflect upon the character of this truly great man.

Despite the daily hardships of their lives, Pete Rawlings' parents, Howard Toussant and Beatrice Peters Rawlings, instilled in him the core values for which I rise to honor him today. Pete was born during the Great Depression, an age when few Americans expected a lifetime of exemplary achievement from any young African American. The young Howard Rawlings was not deterred, however. As a matter of fact, he was determined to be excellent at everything he did, and he was

successful at that. His dedication to excellence led Pete to academic success at Baltimore's Douglass High School and carried him onward until he earned his bachelor's degree at Morgan State University, his master's degree in mathematics at the University of Wisconsin, and the experience that would make him a master teacher in more ways than one. Yet, Pete Rawlings never forgot from whence he had come. He was called to public service and rose to chair one of the most powerful committees in the Maryland legislature.

The source of much of Pete's influence can be traced to his chairmanship of the appropriations committee in Maryland's House of Delegates, the legislative body where I served together with him for nearly 14 years. Pete was determined to make his lifelong fight for better schools, health care and housing the center of legislative debate, and he did succeed. He was a driving force behind the debates about reorganizing Maryland's school system, Maryland's higher education system, expanding financial support for our public schools, extending health care and creating safe and affordable housing for tens of thousands of additional families. We who were privileged to know and work with Pete understood that his influence did not derive from his position of power alone.

As Dr. Steven Carter once observed, true leaders are defined by their integrity. Leaders of integrity have the capacity to discern right from wrong and they act upon what they know to be right even if that commitment places them in peril. Dr. Carter's insights about integrity are exemplified by Pete Rawlings' lifetime of service to the people of our community and State. In his commitment to the education of our children, health care for all and fair housing, Delegate Rawlings consistently followed his vision of what is right, both for the present and for decades to come. At times, he was rewarded for his dedication by harsh criticism. Yet Pete remained steadfast, knowing that the course that he followed was opening the doors of opportunity for many people to come. Otherwise, he knew they would be left on the outside looking in and left in a state of arrested development. He did not seek celebrity or acclaim, but generations to come will remember him as a true and faithful servant who kept the faith of the people he served.

Mr. Speaker, all too often those of us in public life worry too much about the next election. A true statesman, however, worries about the next generation and children yet unborn. Pete Rawlings was such a man.

As I close, Mr. Speaker, I am moved to share with you that dying from cancer, my friend and colleague continued working from his hospital bed until his death. The people of Maryland have lost a great leader and I have lost a great friend and mentor. At this difficult moment for Pete's loving wife Nina and their wonderful family, I join all the people of the great State of Maryland in offering our prayers and our gratitude for a life well lived. I thank God that he allowed Pete Rawlings' life to eclipse with my own.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

(Mr. EMANUEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

RENEWABLE FUELS STANDARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

Mr. OSBORNE. Mr. Speaker, yesterday the House passed an energy bill, the first comprehensive energy bill that we have had in more than a decade. It is now being considered by the other body. I would like to talk about just one small part of the energy bill and that is the ethanol industry. Sometimes this is controversial. Many times people feel that this is simply a giveaway to the Midwest and particularly to farmers, but I would like to take another look at this.

It is true that the ethanol tax credit is 52 cents a gallon. In 2003, we produced 2.7 billion gallons of ethanol, so that amounts to a $1.4 billion tax incentive. Of course, that is a cost to the taxpayer. But that is not the end of the story. The ethanol industry increases the demand for corn by roughly 10 to 15 percent and as most people understand, when the demand goes up, it also drives the price up. What happens is that we, because of the ethanol industry, increase the price of corn by a minimum of five to 10 cents per bushel, and in 2002 it is estimated that the price of corn increased by roughly 40 to 50 cents per bushel. As prices rise, farm price supports decrease. For instance, if a bushel of corn brings $1.50 a bushel, the price support at $1.50 is 82 cents in the farm bill. If the price goes to $2.70, there is zero price support. As a result, what we have found is that the increase in price driven by ethanol decreases the cost of the farm bill by roughly $1 billion. As a matter of fact, higher commodity prices in 2002 reduced farm bill spending by roughly $3 billion along with the drought. In 2003, the farm bill is going to be reduced by roughly $6 billion from projected cost. That is a 25 to 30 percent less costly farm bill than what we had anticipated.

In addition, and this is something that is really important, ethanol is projected to lower gas prices by 6.6 cents per gallon based on 2002 prices. What that does, it translates into a $3.3 billion annual savings to consumers. On the one side, we have a $1.4 billion tax incentive which costs the taxpayers, but on the other side we have a $1 billion tax saving in the farm bill and we also have a $3.3 billion saving at the pump. So the net saving of the ethanol part of the farm bill and a part of the energy bill is roughly $3 billion.

In addition, ethanol reduces dependence on foreign oil, equal to about what we received from Iraq before the war; reduces greenhouse gas emissions by 12 to 19 percent; reduces carbon dioxide by 35 percent; provides 192,000 new jobs in the United States; improves the U.S. trade balance by $2 billion; increases net farm income by $4.5 billion annually; and it can be produced from corn stalks, rice straw, waste products and switchgrass, so it is not confined to the Midwest States. As a matter of fact, we have some ethanol plants being developed now in California. It also increases the octane in fuel because of higher combustion rates.

Then I would like to mention also the fact that it can be used in diesel fuel to increase energy efficiency. It can be used to produce fuel cells. And also it produces high protein livestock feed as a by-product.

The last thing I would like to mention is something that is very much misunderstood. We often hear people say, it takes more energy to produce ethanol than it yields. Actually for every BTU of fossil fuel used to produce ethanol, that is, to plant the corn, to till it, cultivate it, harvest it and process it, for every 1 BTU, British Thermal Unit, you get $1.389 BTUs of energy. In contrast, for gasoline for every BTU you get .808 BTUs, and for MTBE you get .675 BTUs of energy. You have a much higher yield.

You say, where does this come from? Basically, it comes from the fact that the corn absorbs the sun and this extra energy comes from the sun. It is very energy efficient, and we think it is going to be a tremendous benefit to the U.S. economy as we move forward and as we go from 2.7 billion gallons of ethanol to roughly 5 billion within the next few years.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) is recognized for 5 minutes.

(Mrs. JO ANN DAVIS of Virginia addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE WAR IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LEE) is recognized for 5 minutes.

Ms. LEE. Mr. Speaker, I rise tonight to talk about the war in Iraq. First of

all, we all must recognize that over 400 Americans have been killed in Iraq and those numbers are rising. One, two, and now 16 and 17 lives at a time. We do not even know how many Iraqis have died because the Pentagon classifies that information as irrelevant. When we asked Ambassador Bremer at an International Relations Committee hearing how many Iraqis had been killed, he said he did not know because that was not really relevant to reconstruction efforts.

What we are witnessing are the results of a failed and failing foreign policy as a result of the fact that the Bush administration launched a preemptive war that was neither justified nor necessary.

□ 2130

To persuade many Members of Congress and the public to support this war, the administration apparently manipulated intelligence information and spun a distorted web of deception, and this will not be forgotten. Congress should not be talking about adjournment until we have answered these incredibly important questions about how we got into this mess.

That is why I have introduced House Resolution 410, which states that Congress should not adjourn until we have started an investigation into these questions as called for by the Waxman and the Tauscher resolutions. These questions are absolutely relevant. The American people deserve the answers. The methods by which we got into this war, the poor intelligence, and the unwillingness to work with the United Nations have shaped the current quagmire that we face; and, again, this is not going away.

Furthermore, in its rush to war, the administration completely failed to properly plan for its aftermath. This shortsightedness has cost American, as well as Iraqi, lives and created chaos and insecurity in Iraq. Unilateralism, we have found out, and some of us have known for many years, is not leadership; and unilateralism will not succeed in Iraq, as we are seeing. What we need is an effective transition strategy, effective transition strategy, so that we do not leave a worse disaster in its wake. That strategy must include a clear vision of how and when United States troops will come home and a real plan, a real plan, for Iraqi political and economic success. To achieve such success, we need to abandon what the New York Times has recently called ''the miserable United States monopoly in Baghdad.''

Although United States unilateralism has gravely damaged our relations with much of the world, we must continue to at least try to internationalize the transition to Iraqi independence. The United Nations should have real political and economic authority in this effort at peacekeeping and rebuilding. The Pentagon is really not the right agency to foster the creation of this new government; the United Nations is. And, yes, some of us have suggested to the President that Donald Rumsfeld be asked to leave because we believe that he has led this effort in the wrong direction and has not planned adequately for the protection of our young people. So once again we hope that this resolution will come up before we leave.

As a candidate, George Bush, remember, dismissed the concept of nation-building; but as Commander in Chief, he has really mangled it. So we should really let the United Nations fulfill its mission by leading the effort to forge peace, security, and democracy in Iraq.

What should the United States role in Iraq be during this transition? For starters, we should at least recognize that we need to win friends and allies and not make new enemies. Also, I have said before and I will say it again, I believe that our Nation should absolutely pay for the damage that it has caused through its bombing, through its killing; but repairing bombing damage does not mean handing billions of dollars to Bechtel and Halliburton with regard to the no-bid contracts which they are receiving. Iraq's long-term economic development really should be in its own hands just as its sovereignty should be.

Again, as I have said earlier, we are really in a quagmire right now, one of poor planning and poor policy. And it is costing hundreds of American lives and hundreds of billions of dollars. Where in the world will we find the resources for our senior citizens and our children? How are we going to fund Leave No Child Behind, the $9 billion that we need to put into public education? How are we going to fund affordable housing? Where will we find the resources to ensure our public transportation system and all of those quality-of-life issues that Americans so deserve? Not to mention our veterans. Where do we find the resources to provide their benefits which they so deserve?

So we must find a way out of this. And of course that means, again, for starters that the Iraqi people and their representatives must have a greater role and a real role in shaping their own state, and that means that the United States must shift authority to the U.N., and that means we must adopt new tactics that will enhance U.S. security and Iraqi safety by encouraging peace and hope rather than war and fear.

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under a previous order of the House, the gentleman from Pennsylvania (Mr. SHUSTER) is recognized for 5 minutes.

(Mr. SHUSTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 5 minutes.

(Mr. WELDON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. SOLIS) is recognized for 5 minutes.

(Ms. SOLIS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE WAR IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

Mr. MCDERMOTT. Mr. Speaker, we are beginning to see comparisons being made between the U.S. situation in Iraq and the situation we were in in Vietnam. Some are valid; some are not.

One comparison is completely valid and could apply to any conflict. Soldiers get hurt and maimed and die. As a young doctor, I served as a medical officer in the Navy from 1968 to 1970. I worked in California with troops evacuated from Vietnam, and I see those faces when I go up to Walter Reed today.

The issues that we discuss on the floor, who was pushy with the CIA, who knew more than he said, who knew less than he claimed, are important; but they are not important because we want to play some kind of political game of ''gotcha.'' They are important because they are key links in the chain of events that led to more than 130,000 Americans being deployed in Iraq, that led to more than 400 dying, and led to wards filled with boys on Georgia Avenue who do not have arms and legs anymore.

More Americans have died in Iraq in the past 8 months than died in the first 3 years in Vietnam. Regardless of whether this war makes or breaks the Bush Presidency, they are dead.

I did not support the President's decision to go to war. I believe that whatever threat the Hussein regime posed was being effectively contained. I believed and still believe that the presence of large numbers of U.N. inspectors roaming around Iraq was doing a

credible job of making sure that Hussein's desires and ambitions did not materialize into weapons and delivery systems.

Containment, however, has a bad name in this administration. But I am old enough to remember President Reagan using it to bring down the Soviet Union. But containment was abandoned on March 19; and it is not over, that war they started.

While it is important for us to continue questioning how we got into the war and learn what lessons we can, our urgent task now is to figure out how to get out. We need to know whether there are 5,000 guerillas fighting us, as General Abizaid says, or 50,000, as the CIA apparently believes.

This is no small matter. Our Defense Secretary has created his own in-house Office of Special Intelligence to rival the CIA. We do not know which agency is closer to the truth. Lawrence of Arabia in World War I did awfully well with just 3,000 Arab irregulars. They tied down nearly 70 times that many Turkish troops. With a ratio like that, 5,000 guerrillas could tie down 350,000 of our troops. If 50,000 is the right number, we are looking at 3½ million of our own troops. And remember the Turks did not beat Lawrence, just as the Russians did not defeat the Afghan mujahedeen and Carthage did not rout Rome.

Our troops are identified as crusaders, invaders, occupiers, the superpower. American troops are magnets for centuries of resentment and targets for those who within Iraq are happy for the opportunity to stir those resentments up.

We need to know whether there is a plan to get out in a reasonable way or not. I do not believe we should walk away and leave the Iraqis in chaos. However much I deplore the way we went in, I do not want to have to deplore the way we get out. It is tempting to do what Senator Aiken from Vermont suggested in Vietnam, declare victory and get out; but it would be wrong. What would be right is to level with the American people, level with our allies, level with the U.N., and make a sustainable plan to leave Iraq; and I pray to leave Iraq better off than when we found it.

So far, the President has only said we were going to have an election after we had a constitution. Now we are going to have an election before the constitution and we are going to be out of there on June 1. It looks like it is all tied to the timing of the election in 2004. That is unfair to the people that we are serving in Iraq who have lost arms, who have lost legs, who have been severely injured. The President should be honest with us and honest with the U.N. and strike a workable deal. It can be done, but it requires the President of the United States to get off this attitude of ''bring them on.'' That was foolishness from the start, and now we have people coming in from all over the Middle East to be involved in taking on our troops, and each day we lose more. There is no excuse.

But the President goes out to fundraisers. He goes to Great Britain. He says he will meet with the bereaved over in Great Britain. But he does not go to public ceremonies honoring our dead in this country. Why is that? Is he afraid? Why does he not go forward and stand next to the mothers and the fathers as they lower their loved ones into the ground?

This President has never been straight with us about this war, and he is going to have to be, or we are going to wind up exactly as we did in Vietnam, running from the top of the embassy or some other way that we leave the country in disgrace. We should not allow that to happen to our troops.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members not to make personal references to the President such as accusing him of lying.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

(Mr. HINCHEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. INSLEE) is recognized for 5 minutes.

(Mr. INSLEE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATSON) is recognized for 5 minutes.

(Ms. WATSON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, I am here this evening because I came to defy the President of the United States of America. I came to talk about what is happening in Iraq.

I came to do that, understanding that this President does not want this kind of discussion. I recognize that the President does not want us to continue to remind him of this disaster in Iraq. This is a President who has tried to intimidate the news media and told them to stop writing about the bad things that were going on in Iraq, and he told them to write about good things that are happening in Iraq. But thank God that the news media of this country has continued to report on what is really going on in Iraq. Oh, yes, they have talked about some of the children returning to school, and they have talked about the book bags. But the American people want to know about what is happening with our soldiers. The American people are terribly upset about the loss of the lives of our soldiers.

So I am here in defiance of the orders and the attempts to keep us from talking about what is going on. The President's unilateral invasion of Iraq and his administration's subsequent mismanagement of the Iraq conflict have left our Nation in a quagmire. According to the Pentagon's own figures, 422 American servicemen and -women have been killed in Iraq since the beginning of the war and 2,041 have been wounded. No less than 284 Americans have been killed since the President announced the end of the major combat operations on May 1, and the casualties continue to climb.

I believe that this administration is in denial. Yes, the President posted that sign ''Mission Accomplished.'' However, the war really did begin after the sign was posted, and our soldiers have been picked off one by one.

Mr. Speaker, attacks on U.S. helicopters have killed nearly 40 soldiers this month alone, and the attacks continue every day. This past Monday, two more soldiers were killed in two separate attacks near the town of Balad, 45 miles northwest of Baghdad.

□ 2145

One soldier died and two more were wounded when Iraqi insurgents engaged their patrol with small arms fire. The other soldier was killed when a convoy was struck by a roadside bomb. Every day, more American soldiers are killed in Iraq with no exit strategy and no end in sight.

Mr. Speaker, I remember when our soldiers rolled into Baghdad. I remember the way the President bragged about Operation Shock and Awe. I remember how they said to the American people, we have all of the equipment and supplies and the military might that we need. We are going to shock and awe. And this kind of sloganeering that I thought was unbecoming of this administration was the order of the day.

Now, this administration is doing it again. The administration's most recent response to the mounting American casualties has been a new bombing campaign. This campaign is known as

Operation Iron Hammer in Baghdad and Operation Ivy Cyclone north of Baghdad. It involves heavy aerial attacks on so-called suspected terrorists' meeting places and infrastructure. For the past 6 days, U.S. forces have pounded targets with 500-pound bombs, cannon fire, and artillery.

I believe it is another public relations campaign. Mr. Speaker, this administration is famous for spinning and sloganeering and basically posturing, and this is another kind of spinning that is going on. They think when they come up with this kind of sloganeering that somehow they are more believable.

So we have this new Operation Iron Hammer in Baghdad, and what is it doing? We are told that they are hitting suspected terrorists. Who are they killing? What terrorists are they stopping when, in fact, the terrorists, as they have been identified who are killing our soldiers, continue day after day to pick our soldiers off. There is no evidence to suggest that this bombing campaign will accomplish anything. In fact, it may make the situation worse.

A top secret CIA assessment from Iraq, which was widely reported last week, warned that bombing campaigns like this one could only incite more Iraqis to fight against Americans.

Mr. Speaker, I will be coming often to tell the truth about what is going on in Iraq. I will not be intimidated.

EXPLORING IRAQ EXIT STRATEGIES

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under a previous order of the House, the gentleman from Ohio (Mr. KUCINICH) is recognized for 5 minutes.

Mr. KUCINICH. Mr. Speaker, over the last year and a half, the administration has attempted to make the case that the Iraq war is part of the global ''War on Terror.'' They argued that military action to disarm Iraq would save the United States from being directly attacked by Iraq's weapons of mass destruction, and would also prevent Iraq from giving weapons of mass destruction to terrorist groups that could then launch attacks against the United States.

Of course, no weapons of mass destruction have been found, and there has been no proof offered that legitimately connects Saddam Hussein with the September 11 attacks or the work of the al Qaeda network on September 11.

The war has effectively had the opposite effect of what was desired. Al Qaeda, which was not proven to exist inside of Iraq prior to the war, is now thriving in Iraq and is targeting U.S. soldiers in their war against the United States. The U.S. occupation is fueling internal and regional hatred towards the U.S. and is providing al Qaeda with a recruiting poster for their anti-American ambitions.

The world is considerably less safe because of this endeavor. Terrorist attacks in Saudi Arabia and Turkey, and a complete breakdown in the Israeli-Palestinian conflict, only reinforce that the war in Iraq did not bring peace to the region as President Bush said it would.

Clearly, the mission has not been accomplished. More U.S. troops have died since the end of the war than during combat operations. Last week, the U.S. military launched Operation Iron Hammer, a version of shock and awe, targeted at foreign and nationalist terrorists insurgents whose presence in Iraq is a direct result of the U.S. invasion.

Most of the world's nations view the war and occupation of Iraq to be a U.S. folly. The U.S. is stuck, mostly alone, with a costly, unpopular, and unending occupation of Iraq.

This is why a major change is needed. That is why I believe we need to get the U.S. out and the United Nations in. The U.N. will not go in, however, unless the main focus of resistance and instability, the United States, agrees to pull out.

The U.S. must also renounce all political and economic interests in Iraq. It will be necessary to renounce, clearly and unequivocally, any interest in controlling Iraq's oil resources. The U.N., not the U.S., will administer Iraq's oil revenues.

Under a new U.N. resolution, the U.N. will administer contracts to repair Iraq. War profiteering will no longer be tolerated. It will be necessary to suspend all reconstruction contracts and close the U.S.-led Coalition Provisional Authority, because of the suspicion that various contracts have been given to large American corporations were as a result of political connections. In its place, the U.N. would help Iraqis administer funds to employ Iraqis to repair the damage from the invasion.

I believe if we hand over the security, administrative, and economic responsibilities to the United Nations, member countries would be more inclined to help pull the United States out of this quagmire.

I am not suggesting that we do not have responsibilities there. We need a phase-in of the U.N. force and a phase-out of the U.S., while keeping a Navy fleet to defend the territorial integrity of Iraq from foreign invasion.

The U.S. owes a moral debt to the people of Iraq for the damage caused by the U.S. invasion. The U.S. will also owe a contribution to the U.N. to help Iraq make the transition to self-government.

American taxpayers deserve their contributions to be handled in an accountable, transparent manner. However, Americans are not required to build a state-of-the-art infrastructure as the administration seems to be planning.

All we can do now is to make a dramatic reversal. Of course, we must acknowledge that the continued U.S. military presence in Iraq is counterproductive and destabilizing. We have a choice in front of us: either we change course, withdraw our troops, and request that the U.N. move in and bring the U.N. in and take the U.S. out, or we sink deeper into this occupation, with more U.S. casualties, ever higher financial costs, and diminished security for Americans. I think that we can still turn this around. I think that America can take a new direction.

Today, Mr. Speaker, in the Washington Post on page A21, there is a story called ''Sending a Message,'' and I will include that in the RECORD of my Special Order. What that does is it talks about the aspects in which the war is escalating and the damage that is occurring to Iraqi communities as a result of U.S. military action. I would suggest that the damage inherent, as is described in this story, is not only to the humble people whose homes are being blown up, but it is also to the U.S. reputation, because as we get into the cycle of violence, we will be digging ourselves in deeper, and we will be distancing ourselves from the world community. This is a time that we need to reach out to the world community, take a new approach, and that will then enable the United States to finally end this unfortunate episode.

''SENDING A MESSAGE'' WITH A SHOW OF FORCE

RURAL IRAQI HOMES DESTROYED IN U.S. OFFENSIVE

(By Daniel Williams)

TIKRIT, IRAQ, Nov. 18.—The house of Omar Khalil Ibrahim is a flattened jumble of broken bricks and roofing. Three of his neighbors' homes, still standing, are riddled with big holes made by tank shells that blasted through two or three walls. A dead cow lies rotting beside a broken shed.

The scene in central Iraq was the result of a U.S. military offensive aimed at taking the initiative away from anti-occupation guerrillas. It is using helicopter gunships, tanks and Bradley fighting vehicles, as well as an occasional jet strike, unleashing 500-pound bombs and satellite-guided rockets.

One high-ranking commander described it as a ''no-holds barred'' operation. The targets are suspected hideaways, command centers and safe houses of the elusive guerrillas, U.S. officials said.

''We have to use these capabilities to take that fight to the enemy, and why not?'' said Maj. Gen. Charles H. Swannack Jr., the commander of the 82nd Airborne Division, which patrols western Iraq. ''That's why we use them. They are the right systems.''

For all the heavy and sophisticated armaments, the targets in Hawijat al-Ali, a rural hamlet near Tikrit, are small-scale. The houses are single-story structures set within walled rose gardens.

''We were surprised by all the big shooting,'' said Kafi Khalaf, Ibrahim's wife. ''They spent a lot to get rid of our houses.''

U.S. military officials say the show of force is a necessary response to escalating attacks in central Iraq. Maj. Gordon Tate, a spokesman for the 4th Infantry Division in Tikrit, said the offensive, which began Oct. 1, picked up steam after Nov. 2, when guerrillas shot down a U.S. CH–47 Chinook transport helicopter near the western town of Fallujah, killing 16 soldiers. Rocket and artillery operations replaced search-and-seizure raids that characterized U.S. military activity in the summer and early fall.

''We are sending a message. We are showing we are here,'' Tate said. Among the

weapons now in use are rockets that each disperse 960 little anti-personnel bombs. Five Iraqis were killed Monday night in a 4th Infantry Division attack, Tate said.

Tate said that sympathizers of deposed Iraqi president Saddam Hussein pay mercenaries to harass U.S. troops. ''We want them to think twice,'' he said. ''They should leave out of fear or face death.''

To curb the use of roadside bombs that are among the deadliest weapons employed by Iraqi resistance fighters, soldiers have orders to shoot and kill anyone seen digging a hole alongside thoroughfares, Tate said. The same goes for anyone seen carrying a weapon, he said.

Emphasizing the new get-tough approach, U.S. troops in dozens of armored vehicles patrolled in convoys throughout Tikrit Monday. ''They are saying, 'I dare you,' '' said Ashraf Skarki, a farmer. ''The noise and dust, it is all part of their letter to Tikrit.''

The activity is not limited to this town, which is notoriously hostile to the U.S. occupation. In Baqubah, several miles east of Tikrit, a pair of F–15 fighter jets, launched from Qatar on the Persian Gulf, dropped four 500-pound bombs Tuesday on some abandoned farmhouses, military officials said. Apache helicopter gunships and artillery poured fire on targets on Baqubah's outskirts and then ground troops pounded the area with 155mm howitzers and 120mm mortars.

''We have taken action on these targets before, but this is to demonstrate one more time that we have significant firepower and we can use it at our discretion,'' said Lt. Col. Mark Young, commander of the 67th Armor Regiment's 3rd Battalion, part of the 4th Infantry Division. ''This is the biggest operation we've had in the Baqubah area in terms of tonnage and volume'' of munitions, he said.

On Monday, two U.S. soldiers were killed near Balad, about 35 miles from Baqubah, one in a rocket-propelled grenade attack, the other by a roadside bomb.

''We will not let these insurgents dance on our territory. We need to maintain an offensive stance and let the enemy know that we will come down with a heavy hand,'' said Lt. Col. Steve Russell, a battalion commander with the 4th Infantry Division.

In Baghdad at mid-evening, U.S. forces fired heavy weapons at suspected guerrilla positions in the far western part of the city. A series of blasts reverberated across the capital. For a second consecutive night, the city was largely blacked out. U.S. officials blamed the electrical outage on a storm that they said toppled high-tension wires, although the weather has been calm for several days all across Iraq.

Exactly who the guerrillas are remains a mystery, even to commanders on the ground. At a briefing in Baghdad on Tuesday, Swannack said that 90 percent of the fighters that U.S. forces have captured or killed were loyalists of Hussein or Iraqi religious militants. While the Bush administration has described foreign fighters as posing a mounting threat, Swannack estimated that only 10 percent of the guerrillas had come from abroad.

''We are not finding foreign fighters coming across the borders in significant numbers to do the fighting,'' said Swannack, whose soldiers patrol a vast swath of Iraq that borders Syria, Jordan and Saudi Arabia.

Resident of Hawijat al-Ali doubted the offensive in the Tikrit area would be successful. ''Do they really think making this kind of ruin will stop the resistance?'' said Jamal Shahib, who described himself as a shepherd.

Shahib and other residents said U.S. soldiers arrived Monday night searching for Ali Ahmed Hamid and Hussein Ali, two teenagers suspected of being members of Saddam's Fedayeen, a militia created in the 1990s as an irregular adjunct to Iraq's army and secret police. They did not find the young men. The soldiers arrested Omar Khalil Ibrahim, 55, and told the residents to leave their houses. They then unleashed the barrages of firepower to destroy the structures.

Everyone denied that anyone had a connection to Saddam's Fedayeen. One woman, in a fit of emotion, began to chant, ''With our blood and our souls, we will defend you, O Saddam.''

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE of Texas) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

FLORIDA'S CITRUS INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MEEK) is recognized for 5 minutes.

Mr. MEEK of Florida. Mr. Speaker, I want to thank my colleagues from Florida, Mr. PUTNAM and Mr. SHAW, for arranging this special order this evening.

Trade is a crucially important issue in Florida. With our great seaports and airports and our global position as the crossroads between North America and Central and South America and the Caribbean, Florida is well positioned to benefit from trade with our neighbors. However, in order for that trade to benefit Floridians, to create new jobs and new businesses and to promote the growth of existing enterprises, it must be conducted fairly.

One of Florida's signature industries is citrus. Citrus is Florida's second largest industry, responsible for generating over $9 billion for the economy and providing nearly 90,000 people with jobs. The industry also accounts for roughly $1 billion in revenue for the State and local governments. Not only is this industry responsible for giving jobs to tens of thousands of Floridians, it also helps to fund our public hospitals and schools, and our fire and police services.

But all is not well with Florida's citrus industry—primarily because of the impact of imports—and I urge the Bush administration to remember this fact when it considers requests to reduce or eliminate the current tariff on imported citrus juices during the Free Trade Area of the Americas negotiations this weekend or any other negotiations.

There are only two regions in the world that produce a substantial quantity of orange juice: Brazil and the United States. There are also only two regions of the world that consume substantial amounts of orange juice: the United States and the European Union. Brazil already has a virtual monopoly on the EU orange juice market, while Florida's growers sell their product almost entirely in the United States.

There is considerable evidence that the current tariff on imported juices encourages competition among producers and allows Florida's growers to compete on a level playing field. Florida's 12,000 growers, most of whom operate small family-owned operations, are the most efficient and environmentally responsible in the world. Without the tariff, however, Florida's growers cannot compete against the four dominant processors in Brazil, who take advantage of cheap labor and weak environmental laws at the expense of Florida's growers.

The industry also provides many environmental benefits to the State of Florida and its citizens. A collapse of the industry would lead, perhaps inevitably, to more development and more congestion—and also to more air and water pollution and toxins in the environment. I understand that a collapse of the citrus industry would also threaten over 150 different species with extinction.

Today, Florida's citrus industry is already suffering tremendously because of uncertainty over the future of the tariff. The price of citrus is declining. Growers are selling land because they know they will have no future if the tariff is reduced or eliminated. In addition, the huge processors in Brazil are taking steps to exploit any reduction in the tariff by acquiring more groves in Brazil to enable them to dramatically increase production and overwhelm the U.S. market. It would be hard for any industry to survive, and impossible to prosper, in this environment.

The industry cannot afford to wait 6 more months or a year for the Bush administration to make a decision. This is why I urge the Bush administration to state clearly this week its final decision on this matter—to put an end to this uncertainty that is so seriously harming Florida's citrus industry.

Mr. Speaker, Florida's citrus industry—unlike almost all other agricultural commodities—receives no U.S. subsidies. American taxpayer money does not subsidize this industry. The tariff is the industry's only lifeline.

Again, I urge the administration to consider the ramifications of reducing or eliminating the tariff, which would discourage greater competition and would enable Brazil to secure a global monopoly over the orange juice market.

MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Georgia (Mr. GINGREY) is recognized for 60 minutes as the designee of the majority leader.

Mr. GINGREY. Mr. Speaker, I want to thank my colleagues on this side of the aisle for joining with me tonight in discussing over the next hour one of the most important issues to come before this great body, this United States House of Representatives, probably in the history of the Congress, and I am talking about, Mr. Speaker, the impending passage of the bipartisan Medicare Prescription Drug and Modernization Act of 2003.

Mr. Speaker, Medicare is a good program. Medicare had done a lot of things since its inception, of course, when it was first put into place almost 40 years ago, but it is not perfect. Medicare, although it is a good program, is not perfect. Two of the main problems, Mr. Speaker, with Medicare are these: number 1, it has never had a prescription drug benefit. Yes, it covers

hospital expenses. Yes, it covers major surgery and, certainly, it allows some time to be spent in a skilled nursing home if that is necessary. But it has never had any emphasis on preventive therapy which, of course, is what prescription drugs is all about.

Now, maybe back in 1965, when I was a freshman in medical school, we were not prescribing as many drugs. There were not as many lifesaving drugs on the market. In fact, back then, there was a penicillin antibiotic if you had an infection. There was a heart medication called digitalis if your heart was not beating properly. There was maybe codeine if you had a bad headache. But there were not the lifesaving drugs that are available to us today in the 21st century.

Medicare also does not do anything about preventive care, and there is no catastrophic coverage, Mr. Speaker. Under part A of Medicare, after a patient has expended a certain number of days in the hospital for a covered illness, then everything is out-of-pocket, and the same is true for an extended stay in a nursing home. That is why so many of our seniors find themselves in their twilight years having to go on Medicaid, having to become literally wards of the State because of this lack of catastrophic coverage.

So, Mr. Speaker, the main two problems have finally been addressed in the Medicare Prescription Drug and Modernization Act. We are finally going to deliver on a promise to our seniors and include under Medicare a prescription drug benefit, and also make sure that our seniors have an opportunity to get the preventive care and disease management they need.

Mr. Speaker, not covering for a prescription and covering for major surgery is really akin to having a service contract on your car that covers to have the transmission replaced, but not to have the oil changed. It makes absolutely no sense. So finally, Mr. Speaker, we have come to the point in the history of Medicare where we have got to change, we have got to bring it into the 21st century.

Other people, Members of Congress, the health coverage that we have, has a strong emphasis on prevention and wellness and, in the long run, this is less expensive. Certainly, managed care understands that, that it is in their best interest to keep people healthy. When we think about it, so many of us; in fact, most of our citizens who are on that type of plan, including probably all Members of Congress, they are used to that preventive care. They have that catastrophic coverage. And, all of a sudden, they turn 65, and Medicare becomes primary, and if they cannot afford, or if they do not have an employer-provided health benefit for a retiree or a very expensive maybe Medigap plan and they are just relying on Medicare, then they have gone from a coverage that gave them protection, that gave them catastrophic protection and, all of a sudden, at age 65 and beyond, they do not have that anymore, and that makes no sense at all.

The point is, Mr. Speaker, that we have not modernized Medicare, and that is what we are going to do here within the next couple of days in this 108th Congress. I am very proud, as a Member and as a physician Member, to be a part of this historic time in our Congress.

I am, as I say, very pleased that members of my caucus are here with us tonight in this late hour, but they understand the importance of this issue, and they understand the need to make sure that the public and, hopefully, some are watching tonight, especially our seniors, have an opportunity to see exactly what we are going to do for them with this passage of this historic piece of legislation.

At this time, Mr. Speaker, I yield to the gentleman from South Carolina (Mr. WILSON), just across the border from my home State of Georgia, my good friend and colleague.

□ 2200

Mr. WILSON of South Carolina. Mr. Speaker, it is an honor to be here tonight. I would like to thank my colleague, the gentleman from Georgia (Mr. GINGREY), for his leadership in helping to present the truth about the prescription drug plan which is before Congress this week.

I want our colleagues to know that it means so much to me that we have a physician such as the gentleman from Georgia (Mr. GINGREY) here who has a background of working for quality health care for persons in Georgia and the southeastern part of the United States. And he has got a background of knowing what is needed for our citizens. And it just means a lot to have his leadership tonight.

Additionally, I am happy to be here because of the support of AARP of the plan which is before us at this time. I am a member of AARP. I am proud of their promotion of the best health plan that they feel can be produced, and that is the bill before us this week.

Additionally, I want to congratulate the gentleman from California (Chairman THOMAS) of the Committee on Ways and Means who has worked so hard to try to balance interests and come up with a bill which is beneficial to the people of the United States. As we are quite familiar with the providing of prescription drugs, there are other features in the bill that I find very helpful. And I want to relate three of them tonight because I think they are going to have meaning to persons of all ages and particularly for younger people, for persons middle-aged, and, indeed, beneficial for persons who are AARP members.

The first point I would like to bring out is that this bill provides for health savings accounts. This is a provision which in the past has been known as medical savings accounts. This has been a provision which the gentleman from Illinois (Speaker HASTERT) here has been a primary proponent of because it provides new incentives for individuals to put money aside for health care.

The H.R. 1 provisions provide that health savings accounts can provide for people to put, say, up to $1,000. If they have a deductible on their policy of $1,000 they can place $1,000 into an account which can be used to pay all qualified medical expenses. The contributions, earnings, and distributions are all tax free. These accounts are portable from job to job and into retirement. And, indeed, when persons pass away, the money that is left over will be passed on through their estate to their loved ones and their family members. Individuals, employers, and family members can all make contributions.

This is a revolutionary effort on behalf of all Americans, both seniors and nonseniors. Because of the health savings accounts, less money will be spent by the taxpayer. And Americans can plan their futures and plan their ability to provide for better health. These plans will allow seniors to have more control over their health care options.

Other features that I find very helpful in the bill that is before us are to provide for preventative care. The newly enrolled beneficiaries will be covered for a physical. And this I think is so beneficial. I know every time that I have had a health insurance plan, the first question I have after we sign up, unfortunately, is do we have a provision for a physical. And I found out that we did not in my law practice. So it was really very disappointing to me because I believe that if you can have a physical and you can have the normal test, that this will be beneficial to planning your health care.

Additionally, cardiovascular screening, blood tests including cholesterol will be included in the testing provisions. And then another very important effort will be made for diabetes screening for at-risk beneficiaries. This is particularly appropriate to consider today because November is American Diabetes Month. And I know that in the southeastern part of the United States, that we, unfortunately rank very high with the number of persons who suffer from diabetes.

These benefits do not have deductibles or co-pays so those with limited resources can access the benefits. These screenings will catch treatable, manageable conditions that would otherwise result in severe health consequences and cost the Medicare program an immense amount of money. But the main feature is it will help people live longer healthy and fulfilling lives.

Another and final point that I want to bring out that had not received extraordinary attention is reform of the average wholesale price, the AWP, which needs to be reformed. And, additionally, the provision of oncology services. These are cancer treatments

that we will provide in the bill for reimbursements to physicians in services to patients. And this has particularly been enhanced in the last several days because of concern that there may be a reduction in reimbursements and services to patients.

I know firsthand how important this is and that one of our sons at the age of 17 was diagnosed with malignant thyroid cancer. But thanks to his treatment at the Lexington Medical Center, the detection by Dr. Butch Bledsoe, the surgery by Dr. Dan Davis, the pathology reports by Dr. John Carter, and the subsequent treatment by Dr. Tripp Jones, our son is in full remission. In fact, he was able to graduate from the Naval Academy, and he is following in the footsteps of the gentleman from Georgia (Dr. GINGREY). He is in his third year of medical school at Uniformed Services University here at Bethesda, Maryland. So we know firsthand that by getting proper cancer treatment in our family that people can recover and live full lives.

The bill will provide fixes to a flawed system that is costing America's seniors in prescription drugs, but the oncologist and other practitioners are covered by the reform with assistance with practice expenses.

Additionally, a final point, the average sales price, ASP, will be calculated at a rate that will be welcomed by the health community, including the much-appreciated oncologists and other specialists.

As I conclude tonight, I want to say a message as always: God bless our troops. We will not forget the sneak attack of September the 11th on our innocent civilians in New York, Pennsylvania, and Washington.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from South Carolina (Mr. WILSON). I especially am grateful for him sharing that very personal anecdotal information with us about his son.

Mr. Speaker, what the gentleman from South Carolina (Mr. WILSON) is talking about is so true, that medications that are available today we did not have in 1965. God forbid maybe if his son had had that leukemia in 1965, he would not be alive today. I know my mom who was suffering from cancer several years ago would not be alive today if it were not for the chemotherapy that basically completely put her cancer in remission.

Just imagine now, just imagine someone that is in their late 60s or maybe even mid-70s that has no insurance coverage for prescriptions who comes down with cancer that could very well be successfully treated if only they could afford, if only they could afford to take a very expensive medication that would cure that cancer, put that cancer in remission, and let them continue to live and enjoy life. So that is why it is so important in this 21st century that we finally have a coverage for prescription drugs.

It gives me a lot of pleasure at this point, Mr. Speaker, to yield time to the gentleman from Georgia (Mr. BURNS), my colleague and friend from the 12th Congressional District.

Mr. BURNS. Mr. Speaker, it is a historic time. It is a historic time to be in Congress. We are at the brink of passing landmark legislation that is long overdue in our country. This week, just in a day or two or three, we are going to take up on this floor H.R. 1, the Medicare Reform Modernization Act, including a prescription drug benefit for our seniors. This is an important and historic vote that we have to come together now and complete the promise that we have made to America.

I committed to the 12th district of Georgia that I would preserve and protect and improve Medicare. H.R. 1 does that. I committed that I would work hard to ensure that our seniors receive a prescription drug benefit that will improve their quality of life, that will allow them to live full and complete lives that are free from pain and free from suffering. H.R. 1 will do that.

As my colleagues have both pointed out, for the first time in the history of Medicare, we will begin to shift from treatment from acute care to prevention to utilizing those drugs, the wonder drugs that we have now in the 21st century to ensure that our seniors can live full lives.

It is a tragedy that in today's Medicare world someone with diabetes cannot receive the prescription of insulin which would prevent them from losing a limb or having to be subjected to painful dialysis. It is a tragedy that under today's Medicare those with heart conditions cannot receive the medications they deserve, but yet have to be patients for bypass surgery or other invasive practices. This bill provides our seniors with the coverage that they need to ensure their future.

There are many provisions in the bill that are positive for America's seniors. It is a bipartisan bill. It is a conference report that has come through the fire. This House acted originally on our version, the Senate on theirs; and now we come together. I think if you look at the contents of this bill, the naysayers will sit there and pick it apart; but if you look at the total package, it is good for America. Medicine has changed dramatically since 1965. It is time for Medicare to change so that it can provide the medical services to our seniors.

The things that I want to point out in this bill relate to the fact that our low-income seniors who have the greatest need receive the greatest benefit. These individuals will no longer have to choose between their prescription drugs and food or utilities or roof over their head. They will be given essentially 100 percent coverage, and that ensures that they will live full and complete lives. So those at the low-income levels of our society will benefit the most. Those who have tremendous medical needs, prescription drug needs, catastrophic drug costs they will also receive significant support. I think if you look at this bill, those two areas alone suggest we need to deliver the prescription Medicare bill for our seniors.

Implementation is critical. And I appreciate the discount card that is going to be available in April of 2004. And I certainly appreciate the fact that our low-income seniors will receive immediately $600 worth of prescription drug assistance per year. And then in 2006, the full prescription drug plan will be available.

I come from a district, the 12th in Georgia, with many rural hospitals. This bill is a strong statement in support of rural hospitals. It extends the standardized base payment rate for our rural hospitals. For all of those hospitals in cities of less than a million, it ensures that they immediately get an increase in the disproportionate share payments that they are entitled to. And I think if you look at the rural health care component in this bill, you find that it is second to none that has ever been a part of our Congress.

Another very significant component of this bill that I think too many people overlook, there is a fear that for some reason employers would abandon their retirees. Just 2 days ago, we had a press conference here in the Capitol where we met with the employer coalition representatives of over 60 U.S. companies that have worked hand in hand with the Congress to be able to ensure that these companies will not abandon their retiree health plans but would stay in the game, that would continue to provide the medical coverage for retirees, the prescription drug coverage for retirees that their retirees have earned through a lifetime of service.

□ 2215

So if we look at the employer coalition over 60 companies and their commitment to their employees and their commitment to their retirees and their willingness to work with Congress, H.R. 1 provides the incentive for these employers to stay in the game.

Certainly I had an opportunity in the summer and early fall to meet with representatives of the AARP, American Association of Retired Persons. Again, I am a member. My wife is a member, and I met with them in the 12th district, and I was talking with them and we were comparing the House and Senate version of the bill, and we were talking about the changes we needed to make and the compromises and the coming together; and I committed to them that when this bill came out of conference that it would be a bill that they could support and that together the Congress and AARP would work for the passage of this bill, and indeed, that is what has happened. I am glad and proud of the fact that we were able to work effectively with AARP to ensure that seniors in America receive the health care coverage that they deserve.

Lastly, Mr. Speaker, I want to point out the most significant component of

this bill and that is a choice, a choice. If a senior is happy with their current Medicare, they can continue receiving that benefit as it currently exists. If they would like a drug benefit coverage with that, they are welcome to accept that benefit, but they are not required to do so. It is their choice. If they choose to take Medicare advantage where they receive screening, where they receive supportive preventive care, that is the individual Medicare recipient's choice. We have preserved Medicare, Mr. Speaker. We have protected Medicare, Mr. Speaker. We have enhanced Medicare, Mr. Speaker.

If my good colleague and friend from Georgia would be willing, I would like to maybe pose a question or two and get his input on this bill, if he is willing to engage in a colloquy.

Mr. GINGREY. Absolutely.

Mr. BURNS. Mr. Speaker, I think one of the things that the gentleman can help the Nation understand, as a physician, how do you compare the current physician reimbursement policies under Medicare with the proposals that are in this new modernization act?

Mr. GINGREY. I am so glad that the gentleman asked that question, and I have actually been speaking on the floor of this House for the last month on a weekly basis talking about that very thing that the gentleman speaks of.

Physicians have been suffering severely over the last several years. They have taken deep cuts in Medicare payments, and the projected cuts for the next 2 years were 4.5 percent, 4.5 percent less per year in Medicare reimbursement at a time when their practice expenses, especially the cost of malpractice premiums, are literally going through the roof; and the answer to my colleague's question is that under this bill, physicians not only in the next 2 years will not suffer that 4.5 percent cut, but in fact, they will have a 1.5 percent increase.

Mr. BURNS. That is a large swing. We are talking a 10 percent, 11 percent swing over the next 2 years.

Mr. GINGREY. Mr. Speaker, that is correct.

Mr. BURNS. I think one of the things we need to understand is that our physicians need to be willing to accept new Medicare patients, and we need to make sure that health care is available as well as access to help our seniors, and H.R. 1 provides that capability.

The gentleman was a part of the employer coalition conference when we talked about the employers being a part of this solution. What was your impression and what incentives do you see for employers to stay engaged, to continue to provide their retirees with the benefits that were really committed to them while they were working for their organizations?

Mr. GINGREY. Another great question, and I am sure the gentleman from the 12th, from southeast Georgia, as he has had town hall meetings in his district all the way from Augusta to Savannah, is hearing the same concerns that I have been hearing. In fact, these were the major concerns and have been the major concerns of the AARP, and that is, what happens to these retirees who have had a great health insurance plan after their retirement that includes a very generous prescription drug benefit from their employer. There was this great fear, has been a great fear, that all of the sudden employers may, since there is an opportunity, an option under Medicare, drop their plans; and so we have made sure that we incentivize employers to keep those plans, to keep providing for those men and women who in some instances have worked 40 years for the company, very loyally working for the company. This Medicare Modernization and Prescription Drug Act actually gives 28 percent, 28 percent of coverage up to $5,000 per individual to employers, a tax-free supplement to incentivize them not to drop those plans. The AARP and its 35 million seniors are quite happy with that, and I think we have solved that problem.

Mr. BURNS. Mr. Speaker, I think we need to recognize that we need to keep our employers in the game. We need to keep them involved in supporting their retirees, and certainly this provision in H.R. 1 does that.

The last question deals with our low-income seniors and really all seniors. What does my colleague see as the level of health care that they will receive under H.R. 1, this modernization act, compared to traditional Medicare that has been around some 40-plus, almost 40 years now?

Mr. GINGREY. As the gentleman said at the beginning of his remarks, the most important part of this legislation is that it helps our needier seniors. It gives them probably the greatest benefit.

Most of our seniors who are not low income, yes, they get significant help with this bill, particularly in regard to catastrophic coverage when they get above $3,600 out of pocket in any 1 year, but the point the gentleman is making is such a good one. It is so important for the public to understand, and that is that we are taking care of our neediest seniors first. If they have an income, an individual, of less than $12,000 give or take a few dollars per year or a couple at the $16,000 income level per year, then they pay nothing for their deductible. They do not pay a copay. They do not have to pay those monthly premiums. All of that is taken care of, and they are only liable for maybe a dollar for a generic drug or $3 for a brand-name medication or, if they are above 135 percent of the Federal poverty level, that goes to $2, $5. So minimum, and that is where the emphasis is, as the gentleman from the 12th is pointing out, on our most needy seniors.

Mr. BURNS. Mr. Speaker, I think if we look at this bill and we look at all aspects of the bill, it is a good bill. Never let the perfect get in the way of the good. This is a solid bill that needs to be passed in Congress.

I think one of the components of the bill that my good friend and colleague from South Carolina (Mr. WILSON) pointed out was the health savings account. What a revolutionary opportunity for Americans and for families to support tax free the health care costs, their own and then perhaps their parents; and if I look at that single provision alone, it is a tremendous advantage to America.

I would like to thank my colleague, the gentleman from Georgia (Mr. GINGREY), for his leadership. I am delighted to have the opportunity to serve in Congress with two physicians in our freshman class who understand health care and who understand the challenges of our seniors.

Mr. Speaker, as this conference report comes to the floor later this week, I think it is time for action. It is time for us to stand up for America and to stand up for America's seniors, to pass this bill and to ensure that our seniors receive the Medicare coverage they deserve, the prescription benefits that they deserve and need desperately but also preserve this system for my children and my grandchildren and for America.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Georgia for those very, very timely and accurate comments in regard to this bill. In fact, the gentleman from Georgia mentioned the health savings account, and I think that is one of the many parts of this bill that is so good. It is something that we have waited for a long time to have what we might call a universal health savings account opportunity.

Mr. Speaker, at this point, I would like to yield to my colleague and friend, the gentleman from Indiana (Mr. CHOCOLA), who is a small businessman and understands this issue just about as good as anybody that I have discussed it with.

Mr. CHOCOLA. Mr. Speaker, I thank the gentleman for yielding, and I thank him for his leadership in bringing us together tonight to really discuss what has been pointed out, I think, as one of the historic bills we will consider in our career, no matter how long we serve in this body and have the privilege of representing the people in our home districts.

We have had a lot of talk about all the provisions that are in this bill and how important they are, and certainly the prescription drug provision is very important in the basis of this bill, and I join my colleagues in saying it is about time that we live up to the promises that we have made to our seniors and really live up to our responsibility to deliver the prescription drug benefit under Medicare that they deserve.

Really, what I would like to do tonight is focus on another provision of the bill that I think is equally important and really has an impact on every single working family in our country.

Not only does it impact retirees, not only does it impact Medicare recipients, but it impacts every single family in this country, and as the gentleman from Georgia pointed out, that is health savings accounts; and the reason I want to talk about this is because ever since the day I decided to run for Congress, every single conversation that I have had about health care in America has revolved around the following conversation.

Basically, health care reform is the most important and complicated domestic issue that we face as a Congress, and the only way that we are going to see true health care transformation in this country is to have individual ownership and control of health care coverage; and the only way that we are going to have individual ownership and control of health care coverage is to have what we used to call medical savings accounts, but now we call health savings accounts, because it rewards people for shopping for their health care services on economic, not an emotional, basis, and it is an opportunity for people to build wealth over a period of their life, over the course of their career, and they can use that wealth to cover their retiree health care needs.

I used to be a small business owner, as the gentleman from Georgia pointed out, and we had about 1,300 employees. We provided very generous health care benefits for our employees, but every year it was harder and harder and harder to be able to keep those benefits in place at a reasonable cost to the company and reasonable cost to the employees; but every single day I saw the magic of ownership in accounts like profit sharing plan accounts, like a 401(k) plan. People that live paycheck to paycheck did not have bank accounts, took 100 percent personal responsibility in those accounts because they knew it was their money, and if it was managed well, it would benefit their retirements and their family.

I thought every day as I watched the magic of that ownership, why can we not apply these same principles to health care coverage in America, and that is exactly what health savings accounts do. As an employer would it not be great if we could establish a system that says that the employer can contribute and the individual can contribute on a tax-free basis into an account that covers a high-deductible policy?

Mr. Speaker, for those that are not familiar with what health savings accounts are, basically they are a high-deductible health care policy, and the high-deductible portion of that policy is owned by the beneficiary of that policy. They make the decisions on what medical services they are going to buy. They make the decisions on how much they are going to pay for those medical services; and if they are good shoppers and they are relatively healthy, and certainly our experience in our company, I do not think it was too different than most experiences, in that the 80/20 rule applies. Eighty percent of the people are pretty healthy, and they do not really need expensive health care coverage. Twenty percent of the people do encounter health care needs, and they will be covered by the catastrophic portion of their coverage; but for the 80 percent, they will be able to shop wisely and save money.

That is in their account on a year-by-year basis. That money will grow tax free year over year and grow into an asset that they can utilize in their retirement to purchase qualified health care needs.

□ 2230

Mr. Speaker, I do not think there is anything we can do that would be more responsible as Members of Congress than to free the American people to have wealth for their health care retirement needs. Certainly Medicare is a very important provision. It has been a great law in this country and has covered many people in a very responsible way. As this whole debate goes on this week, we will all recognize that since 1965 health care in America has changed, and we need to change Medicare to reflect that change. And we certainly need to provide a prescription drug benefit for our Medicare recipients. But would it not be great if we could provide every single American working family the opportunity to build wealth and be able to be free to have a substantial account in the bank, to be able to have the flexibility to have the health care services they desire, no matter what those are, when they retire?

So, Mr. Speaker, I think it is so important that we do not forget how important this provision is. And as we talk about how do we lower health care costs in America, just think of this: When is the last time you changed the oil in a rental car? If we do not own it, we do not take care of it. If we own our health care coverage, we have every incentive to take care of ourselves. We are rewarded for having health prevention and we are rewarded for buying our health care costs on an economic basis.

And there are two examples to show how powerful that is. Three years ago, I had LASIK surgery. And 3 years ago, I paid $3,000 to have that LASIK surgery so I could see. Today, you can probably go for 30 to 40 percent less to have that same surgery. The only difference in that medical procedure is that it is not covered by insurance. It is paid for by people out of their own pocket. They shop, and economic and market forces have driven that cost down. The same thing with elective surgery. People who have plastic surgery, those costs have risen slower than the cost of inflation.

So, Mr. Speaker, it is possible to bring health care costs down in America. It is possible to live up to our responsibility to our seniors. It is possible to give every American family the freedom and the flexibility to have the wealth to take care of their retirement health care needs if we pass this bill. So I join with my colleagues here tonight to encourage every Member of this body to pass H.R. 1 and live up to our responsibilities to the American people.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Indiana. I think this is such an important aspect of this bill and I appreciate his discussing that with us.

Mr. Speaker, there are probably 40 million people in this great country of ours who have no health insurance at all, and 60 percent of them, maybe more than 60 percent, have jobs. They are not unemployed. Maybe they work for a small shop of five to 10 to 15 people and that employer just cannot go out in the marketplace and get a volume discount, so they just cannot afford it. It is a benefit they cannot afford.

This health savings account will give these employees that are working but do not have the opportunity for group health insurance to put up to $5,000, up to $5,000 a year, Mr. Speaker, tax deferred and will have an opportunity for that account to grow, as the gentleman from Indiana so vividly pointed out.

I want to shift gears, Mr. Speaker, for just a minute. We have heard a lot of discussion tonight during this time about the AARP and how very supportive they are of this Medicare Modernization and Prescription Drug Act, this bipartisan conference committee report. Let me just read a letter, Mr. Speaker, from the President of AARP, Mr. William Novelli, and here is what Mr. Novelli says about this bill.

''Some people are surprised by AARP's support of the Medicare prescription drug legislation now before Congress. They shouldn't be. Our decision is not based on political calculation or allegiance to rigid ideology, but solely on what this will mean for our members and the health of all older Americans.

''There are many reasons for our endorsement. First, this bill will provide prescription drug coverage at little cost to those who need it most: People with low incomes, including those who depend on Social Security for all or most of their income. Second, it will provide substantial relief for those with very high drug costs and will provide modest relief for millions more.

''Finally, we are pleased to see a substantial increase in protections for retiree benefits. That fairness is maintained by upholding the health benefit protections of the Age Discrimination and Employment Act.

''On July 14, in a letter to congressional leadership, we outlined our concerns and our expectations for a bill that we could support. Among them was our opposition to what is commonly known as ''premium support,'' a new structure requiring traditional Medicare to compete against private plans, which could very likely result in

higher out-of-pocket costs for those who choose to stay in traditional Medicare.

''As a result of negotiations, this was scaled back to a demonstration project that is very limited in scope that doesn't begin until 2010, that exempts low-income beneficiaries and limits any premium increases. This will not,'' and I repeat, Mr. Speaker, ''this will not jeopardize traditional Medicare'' as we know it.

''Of real concern to our members and millions of older and disabled Americans was the prospect that by gaining a Medicare benefit, they might lose their current employer-retiree coverage.'' We talked about that earlier. ''We said that the final agreement should provide adequate incentives for employers to maintain their current plans. The proposed legislation includes an unprecedented $88 billion in subsidies to ensure that people who have good private coverage do not lose it.

''This bill is not perfect, but millions of Americans cannot wait for perfect. They need help now. And, finally, help is on the way.

''This is an issue too important to be held hostage to the status quo. As the late civil rights leader Whitney Young once said, 'We have no permanent friends or enemies, just permanent interests.' Our interests are what is best for our members and for all older Americans.

''In the coming days, we will do all we can to help the American people understand how important this legislation is to them and to convince Members of Congress to work in a bipartisan,'' absolutely a bipartisan ''fashion to pass it now.'' William Novelli, President of the American Association of Retired Persons.

Mr. Speaker, at this time I would like to yield to my colleague and good friend from the great State of Alabama. Our districts butt up against each other at the State line, and I know that the people that he represents in his district in Alabama have the same needs, life experiences, and concerns that my folks do in the 11th District of Georgia.

So it gives me a great deal of pleasure at this time, and I thank the gentleman from Alabama (Mr. ROGERS) for joining us tonight.

Mr. ROGERS of Alabama. Mr. Speaker, I thank my good friend and colleague, the gentleman from Georgia, for yielding to me.

Mr. Speaker, it has been said that good things come to those who wait, but when it comes to our seniors' health, waiting is a luxury we can no longer afford. Year after year we hear the cries for help: Drug costs are skyrocketing, family budgets are stretched, doctors' visits go unfulfilled. Mr. Speaker, the prognosis is clear: Seniors need our help.

In my home State of Alabama, seniors now pay nearly $1,300 per year for prescription drugs. These costs are expected to rise just as seniors' dependency on lifesaving prescription drugs continues to grow. But rising drug costs are not the only symptoms. Alabama's seniors and doctors suffer from unfair rural health care penalties as well. Rural doctors, for example, are being squeezed by health care costs. They are finding it more and more difficult to continue providing service to our seniors. This is because Medicare simply has not reimbursed rural health doctors at fair and reasonable rates. As a consequence, we are experiencing a crisis in rural health care. The most highly-qualified doctors are forced to move out and younger doctors are choosing not to move in.

Mr. Speaker, America's seniors sent us here to get the job done. The bipartisan plan to strengthen Medicare with a prescription drug benefit helps seniors right where they need it, in their pockets. This legislation provides record increases for rural health care, it gives seniors more choices and more options, and, most importantly, it provides a drug benefit that is completely optional while allowing seniors to stay in Medicare's traditional fee-for-service system.

Doctors in rural areas, like mine in Alabama, would have a greater incentive to continue providing care. Seniors would subsequently benefit from more health care options and more doctors. Most importantly, seniors would get an immediate discount on their prescriptions. A Medicare-endorsed prescription drug card would be available within 6 months of the passage of this bill and provide savings up to 25 percent on seniors' prescriptions. And the best part, every senior who receives Medicare is eligible for these instant savings, which typically number in the hundreds or even thousands of dollars every single year.

There are also safeguards for our most vulnerable Americans. For certain low-income seniors, a $600 annual credit would appear on their drug card. This helps ensure that our poorest seniors receive access to the best possible care, no matter their income.

Mr. Speaker, this bill is not just about today, it is about our future, for our near retirees and for our children. It is not perfect, but it is a great start.

I know many of my colleagues here share my enthusiasm for this bipartisan bill, but the chorus of support for its passage is not limited to those in this Chamber. In fact, the AARP has formally blessed this bill with their ''Good Housekeeping Seal of Approval.'' AARP and its 35 million members have committed to helping ensure passage of this historic legislation.

To quote AARP President James Parkel from a statement earlier today, ''The bill represents an historic breakthrough, and an important milestone in the Nation's commitment to strengthen and expand health security for current and future beneficiaries.''

So let us get the job done. I urge my colleagues on both sides of the aisle to come together to improve the health of our seniors. We all need to support this bipartisan proposal to create a new prescription drug benefit under Medicare and help improve the lives of our seniors for generations to come.

I thank the gentleman from Georgia, Mr. Speaker.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Alabama, and before I introduce the last member of our team tonight, I would like to read a letter from the President of the American Medical Association, and he says:

''Dear Mr. Speaker, the American Medical Association is proud to support the Medicare Prescription Drug and Modernization Act of 2003 conference report. Congress listened to America's patients and the physicians who serve them.

''The AMA gave Congress a set of principles for a sound prescription drug policy. We asked that the pharmaceutical drug benefit be fully funded as a separate new part of the Medicare program and provide for adequate accounting so that drug program expenditures can be tracked separately from all other expenditures. We asked that it be targeted to reduce hardship for those with low incomes and those with catastrophic costs and that patients be offered a choice of insurance options. The conference report meets all of these requirements.

''We asked for help with the drastic 4.5 percent physician payment cuts that physicians and other health care providers will face beginning in less than 2 months. We said that cuts in Medicare payments jeopardize access to medical care not only for seniors but also for military retirees and their dependents. The conference report provides a 2-year increase in payments for 2004 and 2005 of at least 1.5 percent each year,'' not, Mr. Speaker, a 4.5 percent cut. ''It also provides a mechanism to begin correcting the flawed payment formula in an effort to stabilize those payments over time.

''We asked for relief from regulatory burdens imposed on physicians and other health care providers when dealing with the Centers for Medicare and Medicaid Services, CMS. Using many components of the AMA model bill, the conference report guarantees physicians certain due process rights in Medicare appeals and targets education dollars promote.

''We asked important flexibility and assistance in moving toward electronic prescribing technology. The conference report provides incentive grants to small, rural, and low-volume practices instead of mandating that all providers use electronic prescribing technologies in a short time frame. It also provides for 'safe harbors' for group practices and others in an effort to make these technologies more widely available.''

□ 2245

''We asked to retain the coding system that makes sense for American physicians, not to move to a new, untested system. The conference report

removed language that would have imposed new, regulatory burdens in payment coding systems that physicians use every day. Moving physicians from some 7,000 codes to some 170,000 codes could only mean less time spent with patients.

''We ask that geographic disparities in payments between rural and urban areas be diminished. The conferees worked out a compromise to increase payments in this regard and to thoroughly study patient access to physicians, as well as retention and attraction of physicians to scarcity areas.

''The status quo is unacceptable to patients and their physicians. The Medicare conference agreement includes numerous provisions that will improve seniors' access to medical services. We worked closely with Congress to do the right thing for American's seniors, and Congress heard us. We pledge to wholeheartedly support the Medicare Prescription Drug and Modernization Act. Sincerely, Michael D. Maves,'' president of the American Medical Association.

Mr. Speaker, I think this is a perfect segue into the introduction of my colleague from Texas who not only is my freshman colleague in this Congress, but he also is my colleague as a physician and further as a specialist in obstetrics and gynecology. I yield to the gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. Mr. Speaker, unlike the gentleman from Georgia, I was not involved in medicine when Medicare was passed back in 1965. It was a good program that was passed to help seniors with their surgery costs and their medical costs if they were hospitalized, but there was an important omission; and now this Congress almost 40 years later, almost 4 decades later, stands on the brink of correcting that deficiency that started in 1965.

Seniors to this day have no comprehensive drug benefit, an omission from the original Medicare passed in 1965. On a daily basis, I saw how this impacted my patients. I would have patients who could not afford the medications that I prescribed, patients who would split pills or take a smaller dose. Medicare would cover the cost of the doctor visit, but because of this hole that was left in the program, which could only be classified as a typical government approach, they would often be unable to follow my recommended course of treatment if prescription drugs were involved due to a lack of coverage.

This President and this Republican Congress have had the courage to stand up and do what is right by correcting this oversight by helping millions of American seniors pay for their prescription drugs. This bill gives seniors purchasing power to meet their prescription drug needs and cover their health costs.

The prescription drug discount card will reduce the cost of prescription drugs by as much as 25 percent. With the additional subsidy placed on for low-income seniors, this benefit alone will cover drug costs for nearly half the seniors enrolled in Medicare with minimal financial participation on the part of the beneficiary. Additionally, the bill would authorize consumer-based accounts dedicated to their holder's health and well-being.

We have heard a lot about health savings accounts this evening during the course of this hour, and I would underscore the importance of health savings accounts. This is not an arbitrary concept. This is not just an idea that someone has had; this is, in fact, a reality that has been in existence for the last 5 years. The Archer Medical Savings Accounts were passed in 1996 or 1997. I had a medical savings account until coming to Congress and have seen firsthand how you can have real wealth grow in an interest-bearing tax-free account dedicated to your health care needs. Health savings accounts allow individuals and families to put their money in tax free, allow it to grow tax free, and be withdrawn tax free to cover medical costs. These accounts will give younger Americans the ability to save for future medical expenses, and give older Americans the ability to soften the financial strain of costly procedures or even long-term care insurance. By shifting Medicare to a more consumer-focused program, we improve health outcomes, give purchasing power and make the program more accountable to the American taxpayer.

There have been those who criticize this ground-breaking program before Congress as an attempt to privatize. Mr. Speaker, which President actually privatized Medicare? In fact, it was Lyndon Johnson. The private market has been intimately involved in Medicare since day one. When President Johnson signed Medicare into law in 1965, he was asking hundreds of thousands of doctors and their private practices and their private hospitals to participate in a government program. The program then depended on the private market to provide a network of doctors to care for seniors, and the program today depends upon that same private market to provide that care.

Because the delivery of health care is so much more complex today than it was back in 1965 with the complex array of specialty providers, physician networks, insurance companies, pharmaceutical benefit managers and mail order pharmacies, it would be irresponsible of the U.S. Congress to not rely on this same network that provides care every day to millions of Americans as we look to reform how Medicare covers America's seniors.

As for the claim that seniors will be forced into HMOs, nothing could be further from the truth. We have heard over and over how health savings accounts will impact the health of Americans in the future. The truth is that under this bill, seniors will have more options to meet their health care needs than they currently have. Under this proposal, seniors would certainly have the option to receive care through an HMO. Some seniors prefer that type of care, but they would also have the option to receive their care through a preferred provider organization or, if they like fee-for-service Medicare, they can stay right where they are. The bill provides choices available to seniors; it does not limit them.

Our work is far from done with this bill. More work needs to be done to infuse more market-based principles into this government-run program. More work will need to be done to improve the program so it focuses not just on covering as many Americans as possible, but actually improving their health with attention to the detail of health maintenance.

Congress will remain accountable and engaged. Medicare is a program that will need continual supervision over the years to ensure it remains a viable program. We will continue our oversight on Medicare for future generations. This Medicare bill is the future of health care for our Nation.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Texas (Mr. BURGESS) and the other Members for joining us tonight. An hour goes by very quickly. I think we need about three to really talk about everything that we need to talk about.

In conclusion, let me say that we proudly support this Medicare Modernization and Prescription Drug Act of 2003. We talk about compassionate conservatism, and that is a pledge upon which our 43rd President ran, and he promised that we would deliver. And some pun intended, I might add as an OB-GYN, but the President promised, and this leadership promised, this Republican Congress promised that we would deliver. Finally, at long last we have overcome a lot of obstructionism to get to the day that we are going to deliver to American seniors, and they deserve it.

It is compassionate because there are people in this society who through absolutely no fault of their own need our help, and that is what compassionate conservatism is all about. Mr. Speaker, I say this is its finest hour. Let us get this bill passed with support from both sides of the aisle and make this truly a bipartisan success for our seniors.

PRESCRIPTION DRUG COVERAGE UNDER MEDICARE

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I plan to be joined tonight by some of my colleagues on the Democratic side, and I appreciate the fact that they are here to join me. I did listen to much of what was said by my colleagues on the Republican side in the last hour.

One thing that bothers me the most about some of their statements is that they seem to color everything based on ideology. I hear constant references to conservativism, even if it is compassionate. I hear references to market forces and the private market. They suggest that they are not privatizing and somehow Medicare has been privatized for some time going back to Lyndon Johnson.

First of all, it is very important to understand that I personally, and I know this is true about my colleagues, we do not look at this from an ideological perspective. I do not think we really care whether it is conservative or liberal or market or regulatory. We are only interested in providing a prescription drug benefit to senior citizens, and, practically speaking, the best way to do that.

My concern about the Republican side is they seem to be ideologically driven: there have to be market forces or this has to be some kind of conservative approach, and the notion that everything has to be privatized or really has been privatized all along. It is just not the case.

When we talk about Medicare when it was first started under Lyndon Johnson, he started Medicare because he realized that if a senior citizen, practically speaking, wanted to go out and buy insurance in the private market, which is all that existed at the time in the early 1960s, that they could not get health insurance. They could not buy it. There was no way to do it.

The reason that Medicare, which is a government program, not a private industry program, was set up was because of the failure of the private insurance market to accommodate and provide affordable, comprehensive health care for senior citizens. I do not care how it is provided, but the bottom line is that the private market could not provide the health insurance. There is no indication that that has changed in any way today. To suggest that somehow Medicare now is private is simply not true.

I think that Republicans are spending so much time trying to make sure that Medicare is privatized in order to provide a prescription drug benefit that they are losing sight of the fact that the purpose is to provide the benefit. If we look at what this Republican bill, this Medicare conference report that we are going to get, and we have not seen it yet, if we look at what we are told that it is going to include, and we are going to vote on Friday or Saturday, we find that there is an attempt to privatize Medicare; and the way that they do it is by providing the HMOs and private insurance companies a huge amount of money, plus-up money, if you will, so they can, what the Republicans say, compete with traditional Medicare.

The bottom line is that if we had a true competitive market between traditional Medicare or HMOs, the market should take care of itself and they should not have to add all of this extra money to boost up the HMOs and make sure that the HMOs and the private market are going to cover seniors. The irony is what they are doing here is forcing the seniors into managed care, into HMOs. You are not going to get this drug benefit unless you essentially sign up for an HMO. You are going to lose your choice of doctor; and as a consequence you are suffering, and traditional Medicare as we know it is going to disappear.

What is this drug benefit that they are going to provide? Well, I would maintain that it is such a meager benefit, and it is going to cost senior citizens so much money out of pocket it is essentially meaningless. Since it is voluntary, most seniors will not even sign up for it.

□ 2300

In July when this bill came up in the House, the Democrats had a substitute. What we said is this. If you, as Republicans, feel that you want to provide a certain amount, pot of money to provide a prescription drug benefit, we know that the traditional Medicare program works very well, and nobody on the other side is saying that that is not true, then why do you not just add the money and add the drug benefit to traditional Medicare the way you added a benefit to pay your doctor bills. Seniors know that part A pays for their hospitalization, part B Medicare pays for their doctor bills. With their doctor bills, they pay about a $50 per month premium, they have a $100 deductible on the first visit to the doctor, 80 percent of the doctor bills are paid for by the Federal Government, 20 percent copay and after you reach a certain amount that you pay out-of-pocket, the Federal Government pays 100 percent. We as Democrats said, let's just emulate that and extend it to prescription drugs, call it part C, part D, whatever you want, you pay a $25 per month premium for your prescription drugs, you pay a $100 deductible for the first drugs, whatever, and then you would have 80 percent paid for by the Federal Government, 20 percent you would pay, copay, and then at a certain threshold just like in part B, 100 percent of the cost of your drugs would be paid for by the Federal Government.

That is not what the Republican bill does. The Republican bill, first of all, says that you are probably going to pay $35 a month premium but there is no set premium. It could be $75, $85 a month. Who knows? The deductible is not $100 but $275 a year. And 75 percent of the cost is paid for by the Federal Government, 25 percent by you, up to the first $2,200. But from $2,200 to $5,000 for your drug costs, you get nothing from the Federal Government. You pay the whole expense. I would maintain that you are going to have to shell out so much money for this premium and get so little of a benefit that most seniors would not even sign up. Keep in mind, you are only going to get it if you sign up for an HMO and give up your choice of doctors, and they are giving all this extra money to the HMOs to try to make sure that they will provide a prescription drug benefit because many of the HMOs in the past few years that have initially provided prescription drug benefits decided to drop the seniors, and now many of the seniors who signed up for them do not have it anymore. That is 100,000 people in my home State of New Jersey alone.

I have my colleagues here. I would like to yield some time to them. First, I wanted to make two more points, because I have had seniors ask me this question. Number one, they say what are you doing about cost? Republicans are doing nothing about cost. They specifically have in their bill language that says that the Medicare administrator cannot negotiate lower prices, unlike what we do for the VA or we do for military personnel. Democrats, of course, in our substitute, we had negotiated prices on the part of the Medicare administrator. That is because of the prescription drug industry. Just like the Republican bill will help the insurance companies, help the HMOs, it is also going to help the drug industry because they will not be any cost containment. The other thing that is in the Republican bill that a lot of seniors have told me they are concerned about is no reimportation, no opportunity to reimport drugs from Canada or other countries to try to create a competitive market and lower cost. The third thing that some of my seniors have said that I wanted to mention and just throw out to my colleagues is that the Republican bill does not even take effect until the year 2006. We are going to go through an election for President, we are going to go through another election for Congress, 3 years from now, before this bill kicks in. I hear my Republican colleagues say, oh, this is only the beginning, we're going to have to do more down the line. If this is such a great thing, why is not starting at the beginning of the year? If they pass it this week and the President signs it, why is not effective January 1? Why do we have to wait another 3 years? In any case, I see some of my colleagues would like to speak. I yield to the gentleman from Texas (Mr. RODRIGUEZ) who has not only done a lot of work in general on the health care issue but I know has particularly paid attention in the context of the Congressional Hispanic Caucus with health care and this issue. I appreciate the gentleman being here tonight.

Mr. RODRIGUEZ. I want to thank the gentleman from New Jersey, and I want to thank him personally for what he has done in the area of health care. I know that when we heard the other gentlemen, the Republican from Texas talk a little bit about the history, I know that one of the reasons for Medicare is the fact that as our seniors reach their twilight years, we have forgotten the previous history, and, that is, that one of the difficulties was that

the existing insurance companies and health providers, as soon as you got ill, you were being dumped. Concerning LBJ, there is a little story that I tell that was written up that one of the things that he had gotten the insurance companies into the White House and the medical profession into the White House and he had basically got them in there and told them, look, I'm even going to be doing you a favor. You can go ahead and insure the young people while they're healthy and take care of them, and I know that as soon as they get ill, you're dumping them. So allow me the opportunity to establish Medicare, and I'll take them off your hands.

We have forgotten that history. We are going back to allowing the private sector to come in. It would be great if that could work out, but the reality is that my seniors do not have the resources and the profit margins are not there for the private sector to profit from it because our seniors do not have the resources and they are the ones most likely to get ill. So most of the companies do not even want to touch that. But now, of course, they do because there is some benefits that they are going to be receiving. I know that there are some tax cuts also included in this effort.

Mr. PALLONE. When I have posed that to the Republicans and I have said, the private market does not want to come in, even the HMOs do not come in, their answer is, we'll just give them more money. We know they have these plus-ups. I guess about $20 billion of the $400 billion is extra money going to the HMOs and the PPOs, the private sector, to offer this kind of drug benefit. Then I say to them, what if the $20 billion doesn't work? They say, we'll just give them more money. That is their response, but it is the absolute opposite of what true competition is. If you are going to have to keep giving them more and more money in order to get them to enter into this market, how is that free enterprise and market economy?

Mr. RODRIGUEZ. You know they do not want a free enterprise, especially when they put specific language in the bill that does not allow an opportunity, and I cannot understand this. If you really want a free enterprise, here you have it with our veterans, the VA has been able to get a contract where they can get lower prices. In this bill, I cannot believe that they have gotten language in there that does not allow that to occur. In fact, it makes it against the law for them to even try to negotiate. So it is a protection of the pharmaceutical companies. It is apparent that this bill is definitely being supported by the pharmaceutical companies, definitely being supported by the special interests. It is unfortunate, but our seniors are the ones who are going to suffer.

I wanted to briefly talk a little bit, because I know that when we talk about Medicare prescription drug coverage, our seniors in our rural communities throughout this country are hit even harder. I share that with the gentleman because I know he is well aware that this same effort has been tried in terms of the privatization of Medicare. They came to us some years ago and said, we can provide Medicare cheaper. We tried that. We know now that it did not work. In fact, in my counties in south Texas, Wilson County, Atascosa County, they were not making the profits that they wanted so they dropped. We do not see the HMOs in rural Texas and probably throughout rural America. There is a lack of access to services. If they do not see those huge profits, then they do not drop the individual but they drop the whole county.

Mr. PALLONE. This is what I envision is going to happen here in counties like yours or in my own State of New Jersey. We had 100,000 people dropped by HMOs in the last few years. Because they keep giving all this extra money to the HMOs that are in this bill, I will use New Jersey as an example, but I think it could be true in Texas or anyplace. Because they are getting all this extra money, some HMO is going to step forward and say okay, look, you're giving me all this extra money, I'll offer a prescription drug benefit. If your seniors enter my program, you're giving me all this extra money, I'll offer a prescription drug benefit, but I'm going to charge, who knows, for the cost of the premium, not $35, $65, $75, $85 a month, whatever.

According to this bill, as long as there is one HMO in the area, in my district or in your county, that is willing to provide the benefit, regardless of what they are going to charge for a premium, that will preclude a senior from getting any kind of drug benefit under traditional Medicare. So if they have traditional Medicare and there is some lousy HMO that comes in and wants to offer them this plan because they are getting all this money, but charging a high premium that they cannot afford, or they see no benefit because they have to lose their choice of doctors, then they are out of luck because you can only get, maybe, I am not even sure, but you can only get drug benefits with traditional Medicare or without joining an HMO if there is not an HMO in the area that is going to offer it. But it does not have to be an HMO if it offers a reasonable plan or a reasonable price. It just has to be anyone that happens to be there.

Mr. RODRIGUEZ. It is unfortunate. I want to give you some figures from Texas alone.

□ 2310

Texas has close to 530,000 Medicare beneficiaries that are in rural Texas, and 20 percent of them live in the rural communities. I can attest to the gentleman that those individuals are specifically going to have difficulties. This promise was given to us in the 1990s about Medicare HMOs that were touted as a way to control escalating cost; but by the end of the decade, as we well know, provided plans have abandoned thousands of seniors and they have left them out there in the cold. And I expect that the same thing is going to happen.

I want to give an example also of a study that was done in the San Antonio area in Texas like it was done throughout the country. For instance, in San Antonio, Zocor, which is a cholesterol medication, runs approximately $110 for 30 tablets. Right now in the communities of Pearsall, Texas, in Atascosa County, where I have a population of 15,000, that prescription costs 25 percent more. So even prescriptions now in rural communities are even more costly. So as we can see, the costs will add up quickly and force rural seniors with this proposal to really not be able to benefit. It is unfortunate, but what we see now is basically a dismantling of Medicare.

And we recognize that. Because there is not a sincereness. The money that is coming to provide Medicare for seniors and for prescriptions is coming from cancer patients. Almost 1 billion per year, it is estimated; that those women with breast cancer, other people who suffer from cancer, it is just like taking education programs for kids to provide after-school programs. Both are in need. So we are taking from patients who suffer from cancer and then providing prescription drugs for our seniors. They are both in need of the service. So it is really unfortunate that they are unwilling to provide resources to really beef up the program the way it should be. And what I see is the beginning of a dismantling of Medicare in a way that is very dishonest, a push on this effort. And I know that we have people here who basically believe, and it is hard to comprehend that, that when it comes to health care that we do not have an obligation or a responsibility. But we need to understand that this country ought to be just in terms of how we treat our most vulnerable, how we treat our seniors in the twilight years; and this is no way to do that.

So I am hoping that we will be able to get the votes to kill this proposal because I think that all it is is a way of basically beginning to look at dismantling Medicare as we know it. It is a program that has worked. What we need to do is fund it appropriately and make sure that prescription drug coverage is part of that. If I can just share with my colleagues, this administration, when it comes to heath care, they have gone after Medicaid, which is the program that responds to the most needy of our country. They have gone after the CHIP program that funds the kids in this country, working Americans who are out there working their hearts out and paying their taxes and yet find themselves unable to insure their own kids and themselves. And this administration is the same administration that is trying to destroy

those same programs; and now they come up with a Medicare program that has a prescription drug coverage where they have taken money from the cancer patients? So when we look at a picture like that, we know that there is something wrong, and we know that their sincerity in trying to meet the problems that confront us is not there.

Once again I want to thank the gentleman for being here tonight and talking about this critical issue, and I am hoping that Americans are out there listening because this is a serious issue that is before us. It is an issue that confronts all our seniors, and we all have elderly in our communities that are impacted by this, and we are playing games.

The gentleman just mentioned something that is extremely important. If it is so great, why not do it now? And the reason why is because it is a hollow promise. There is nothing there. And when it does happen, it is going to be devastating and it is going to be a nightmare.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman for his comments. And I have to tell him that most seniors think this is going to take place immediately, within a few months; and when I mention to my seniors that it does not take effect until 2006, they are shocked. They think how could they be talking about this 2 or 3 years from now? And when I mentioned it to one of the Republicans from Florida who spoke on the motion to instruct tonight, he said it would take that many years for the insurance companies and everybody to adjust to put this in place, which does not make any sense. We can have the structure changed in a month or two if we really want to do it.

Mr. RODRIGUEZ. Mr. Speaker, if I can just close, it does make sense in a political year where they can get political contributions.

Mr. PALLONE. Exactly.

Mr. Speaker, I yield to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Mr. Speaker, I would like to thank my friend from New Jersey for leading this hour.

Mr. Speaker, we have heard a lot of talk tonight from our friends on the other side of the aisle about how they want to provide a prescription drug plan. I do not know about all that, but what I do know is this: the plan the Republicans have privatizes Medicare. That is what it does. It privatizes Medicare. It eliminates coverage for over 2 million Americans. It gives tax subsidies for the wealthy. It forgets to give real help to those of low income. It has a very high deductible, and, Mr. Speaker, as we know and as our friends on the other side of the aisle have been forced to admit reluctantly, it has a gap in coverage so large that our seniors would forget there is any coverage at all but for the fact that they have to continue to pay premiums each and every month even at a time when they are not getting any coverage. And our friends on the other side of the aisle have had to admit that on this floor before this Congress and before the American people.

Mr. Speaker, maybe I was mistaken. I thought we wanted to provide a prescription drug plan to help America's seniors. I thought that was what we were working on. But I have kind of seen the light. Our Republican friends do not really want to have a drug plan that helps seniors. They want a plan written by the HMOs and the pharmaceutical manufacturing companies. And I can see why those companies and the Republicans want that plan. The drug companies want a drug plan because they supply the drugs and they set the prices. Sweet. What a good deal. They supply the product, and they set the price.

And it gets better than that. The Republican plan forces seniors off of Medicare and shoves them permanently into the waiting arms of HMOs. The Republican plan is to move all of the revenue to HMOs and place all the burden on our seniors.

And, Mr. Speaker, what is the big rush? As has been mentioned by the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Texas (Mr. RODRIGUEZ) and others, what is the rush? If we pass this Republican sham of a bill written by the drug companies, it does not even go into effect until the year 2006. This is 2003. What are we doing? How stupid do they think the American public is? What a sham. This is not a drug plan for seniors. It provides no coverage in 2003. It provides no coverage in 2004. It provides no coverage in 2005. And it just kicks in coverage in 2006. At least that is their planned coverage.

Like I said, we are not in a rush to pass the bill; so why pass it today? Why pass it in 2003 and have no coverage until 2006? Maybe, I mean just maybe, it is because elections are coming up in 2004. Would that be why they are passing this bill?

So our Republicans want to pass a bill in 2003 with no coverage. Then they want to brag about it in 2004 with a fancy name. They want to run on that when they are not even paying any benefits. And then who knows what they are going to do in 2006? As the gentleman from New Jersey (Mr. PALLONE) has mentioned, we have got a whole new administration possibly. We have got a whole different Congress. We do not have any commitments. We are passing something in 2003 for 2006. That is ridiculous.

In summary, the Republicans are telling seniors to sit down and shut up until elections are over and then they are going to deal with them. Sit down and shut up.

Every Member of Congress claims to be committed to lowering the price of prescription drugs for our Nation's seniors, but the truth of the matter is that actions speak louder than words. I believe, as has been mentioned tonight, I believe the gentleman from New Jersey (Mr. PALLONE) mentioned it, we passed a reimportation bill with overwhelming support this summer, bipartisan support, that would have finally granted our seniors access to the same safe, quality, low-priced drugs sold in 25 other nations including Canada.

□ 2320

Now, this was part of a deal between the Republican leadership and one of its own Members to secure that Member's vote for H.R. 1 in exchange for a commitment to do something about lowering the cost of drugs. H.R. 1 passed by one vote due to that promise, and we all know it. We were all here on the floor. We all know where it happened: right over on that aisle. One vote, when the Republican leadership kept the vote open 45 minutes, contrary to the rules of this House, based on a promise to do something.

But that was just a blatant lie, because here we are, the final conference bill that not only fails to include reimportation, but makes it harder to reimport drugs from other nations.

To further ensure the drug companies' flourishing profit margins, this legislation specifically prohibits the Secretary of HHS from using the purchasing power of 40 million Medicare beneficiaries to negotiate for lower prices. What is that all about, Mr. Speaker? Why in the world would we put in legislation and say we are prohibiting the Secretary from negotiating for lower prices? I have never heard of such. What kind of business deal is that?

Now, if the Republicans are so darn proud of this pitiful plan, I want to know why they meet in secret in the conference committee. Now, I have never heard an answer to that. The Democrats do not even get told where the meeting is. Now, I can understand they were embarrassed to bring forth a bill written by the insurance companies; I can understand why they are all embarrassed about that. They did not want the Senate to know, they did not want the House to know, they did not want the public to know. But to preserve their dignity, could they not have just changed or covered up the HMO letterhead and had a regular conference committee meeting where everybody participates, where everyone has an opportunity to have their say?

And, Mr. Speaker, it is critically important to note, as the gentleman from New Jersey (Mr. PALLONE) mentioned, it is important to note that we are presently debating and talking about a nonexistent bill. There is no drug bill. We are guessing at the content. The Republicans say, they say that they are going to produce an 1,100-page bill, and we will vote on it Friday or Saturday.

Now, I would like to see a show of hands, Mr. Speaker, and see how many people in here are going to be able to receive, read, and understand an 1,100-page bill in just a few hours. I mean I

see no one has raised their hand because that is ridiculous.

So the Republicans are planning to pass an 1,100-page bill that is currently not in existence, that has been read by no one, that was written by the insurance company, that provides absolutely no benefits until 2006, but privatizes Medicare. That is the plan. Now, is that not special? Is that not special, Mr. Speaker?

Now, much has been made of the fact that AARP endorsed this bill. Not so. Some of the executives of that organization did, but there was not a vote of the membership and, in fact, the AARP membership across this country is up in arms about it. This is a PR stunt by the executives, and that is who is leading that organization is a former PR man.

Let me read to my colleagues, because we heard all about the PR dude, but let us hear what some of the people say. Mr. P.R. Latta in Raleigh, North Carolina, he is writing to AARP and he says, ''As you all know, I have on many occasions informed you AARP opposes privatizing Medicare and Social Security. All of you know I tried to tell it like it is. AARP at the national level is supporting the present prescription drug bill. This bill does not serve the seniors, and it privatizes the prescription drugs under the misused distortions of freedom of choice.

''The support of this bill makes it impossible for me to trust AARP at the national level, and their support of this bill, with its many faults, makes it impossible for me to represent AARP at the local level.

''Therefore, effective at the end of this meeting, November 20, 2003, I will resign as your legislative chairman.''

Mr. PALLONE. Mr. Speaker, I listened to everything the gentleman said, but I want to just take it one step further. The gentleman pointed out that we have no bill, and that is certainly true. The gentleman from Florida, earlier on the Republican side tonight, actually challenged some of us on the Democratic side on the motion to instruct and said that we had not read the bill. And the gentleman from Ohio (Mr. BROWN), from our Committee on Energy and Commerce said, well, where is the bill? We have not received it. And, of course, the Republican Member from Florida had no response because they have not shown it to us, if it even exists. But imagine, as the gentleman said, not only do we not have the bill, not only has there been no conference participation by the Democrats, but now these organizations like AARP, AMA, the PhRMA, the drug manufacturers, all mentioned on the other side as endorsing the bill, some of them are even running ads for a bill that does not exist.

So I mean the guy who is the legislative chairman, he did not say it in the letter there, but one would almost have to resign knowing that your organization has endorsed legislation that is not even available to look at. It is unbelievable.

Mr. SANDLIN. Mr. Speaker, that is exactly right. Many of these folks are going to find out, when Medicare is privatized, as is the plan; that is where we are headed, let us make no mistake about it, we will no longer have to see these groups coming up here to talk to Congress, because we are not going to have anything to do with it. It is privatized. It is all then going to be a matter of what the HMOs are going to pay, and they will just have to go talk with them.

Let us look at what a few organizations have said. Again, the rank and file of AARP is opposed to it. Let us look at the Alliance for Retired Americans: ''The Alliance for Retired Americans categorically opposes the proposed Medicare bill being touted by Republican leaders on Capitol Hill. The Bush administration and Congress are callously using a much-needed and long-awaited prescription drug benefit to privatize Medicare. Under the proposed bill Medicare, as we know it, will cease to exist. They may say they are looking out for seniors, but they are really protecting the profits of the big pharmaceutical companies and ensuring profits to the insurance industry.'' That is the Alliance for Retired Americans.

I have a list, not to read all of this, but the Medicare Rights Center: ''The bill under consideration does more harms than good.''

Families USA: ''The proposal does too much to destroy Medicare and too little to help the seniors who can least afford the medicines.''

The Transport Workers Union of America: ''The bill fulfills Newt Gingrich's dream of causing Medicare to 'wither on the vine.' It includes requirements and incentives to force people out of Medicare into private insurance plans; not only the ''premium support'' provisions, but the $12 billion slush fund for the President to bribe and coerce seniors into private plans.''

The Center for Medicare Advocacy: ''Even in its most limited form, the premium support or voucher ''demonstration'' will cause elders and people with disabilities to pay different amounts for Medicare in different parts of the country.''

UAW: ''Make no mistake, the issue before the Senate is not simply the nature of prescription drug coverage that will be provided to seniors. Rather, the conference report directly puts at risk the continued stability and viability of the entire Medicare program.''

TWU: ''In exchange for these devastating changes to the basic Medicare program, seniors will get a prescription drug benefit that will leave one-half of all seniors paying more out-of-pocket than they do now and turns over to private insurers the power to decide what drugs to cover, how much to charge, and whether to offer coverage at all.''

Mr. Speaker, I have an entire list. I am not going to go through it. But folks like the National Committee to Preserve Social Security and Medicare, Alliance for Retired Americans, Medicare Rights Center, National Seniors Law Center, American Federation of Teachers, NEA, National Taxpayers Union, American Nurses Association, and the list goes on and on. Everyone knows that this is a sham. And when we start looking at it, and our Republican friends will hear that and they say, oh, that is just a bunch of activists and progressive advocacy groups that are against that.

We heard them tonight talking about, as the gentleman from New Jersey (Mr. PALLONE) mentioned, all this ideology and being conservative. Mr. Speaker, come on, let us get with it. The most conservative and fiscally responsible groups in this country oppose this bill. Cato Institute. Now, who is more fiscally responsible and conservative than them? Quote: ''The Medicare prescription drug bill to be voted on by Congress this week is a terrible mistake that will dearly cost our children and grandchildren. This is a bill for politicians.'' I am leaving some of it out. ''Sometimes the better part of valor is recognizing when you have made a mistake. Congress should recognize this bill as a mistake and go back to the drawing board.''

The Club for Growth: ''We oppose the Medicare prescription drug conference report. On balance the bill is too costly to taxpayers and would force millions of Americans into a government-run program greatly inferior to the coverage they have today.''

Heritage Foundation, that well-known activist group, liberal advocacy group: ''Of course, the agreement contains an unworkable and potentially unpopular drug benefit with millions of Americans losing part of their existing coverage. Instead of targeting benefits to seniors who need them, the Medicare conferees are insisting on creating universal drug entitlement to be delivered through the vehicle stand-alone insurance. Meanwhile, the politically engineered premiums and deductibles, coupled with their odd combination of doughnut holes and gaps in coverage, are likely to be unpopular with seniors.''

The National Taxpayers Union: ''The vote on final passage of the bill will be among the most heavily weighted in 2003. They say, ''There are many problems with the provisions of the final Medicare prescription drug legislation, but perhaps the worst is that it will add hundreds of billions of dollars in unfunded liabilities to a Medicare system already headed for bankruptcy.''

Citizens Against Government Waste: ''Congress is about to pass a bill that will add a prescription drug benefit to Medicare. The bad news is this bill fails to reform Medicare. It may take away prescription drug coverage that you and your friends already have.''

American Conservative Union and others have similar comments.

□ 2330

Mr. Speaker, it is clear, this secret nonexistent missive that is created by

the insurance companies in this country is ridiculous. For the Republicans to cram this bill with no benefits down the throats of our seniors is unconscionable. Mark my word, Mr. Speaker, if this bill passes, if this bill passes, it will pass solely on the backs of the votes of our friends on the other side of the aisle. And the Republicans can answer to America's seniors for this travesty. It is on their backs and on their shoulders. It is their responsibility.

We should work together to craft a bill that is voluntary, has a specified cost, a low deductible, and absolutely no gap in coverage. It should guarantee coverage under Medicare because seniors have already paid for that coverage. We do not need to help the HMOs. It is our responsibility as a Congress to pass that sort of bill.

To even consider the Republican bill is a slap in the face to seniors all across America. It should be an embarrassment to this great institution.

Mr. PALLONE. Mr. Speaker, I appreciate the gentleman's comments and particularly those quotes that he has from some of the conservative groups at the end. Because, as my colleagues know, when I started out this evening, I wanted to make the point that I do not really care about the ideology. I just think this thing is not going to work and not deliver any benefit to seniors and they are going to lose their choice of doctors by having to join an HMO.

It is great to see some of the conservative groups, which I normally do not agree with, are essentially saying the same thing: it is not going to work. It is not going to provide a benefit. Seniors are going to be forced out of their traditional Medicare.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. ROSS), who probably knows more about the prescription drug issue than anybody else because he is an owner of a pharmacy with his wife, or his wife is an owner. And he really knows how this works, practically, in the shortcomings.

Mr. ROSS. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for yielding. And I thank my colleague from Texas (Mr. SANDLIN) for his comments and very thoughtful remarks this evening on behalf of America's seniors.

I have got to tell my colleagues that it is a frustrating time for me because, as was mentioned, my wife and I own a small-town family pharmacy. She is a pharmacist. And I have seen so many seniors walk through the doors of our pharmacy who either could not afford their medicine or could not afford to take it properly. And living in a small town, Prescott, Arkansas, population 3,400, I know a week or two later that senior is 16 miles down the road in Hope, Arkansas, in the hospital having a leg amputated, running up a $20,000, $30,000, $40,000, $50,000 Medicare bill for other complications simply because they could not afford their medicine or could not afford to take it properly.

So I ran for Congress. I ran for Congress to try and modernize Medicare to include medicine for our seniors. And I knew it was pretty partisan in Washington, but I thought if there was an issue that would not be a Democrat issue or a Republican issue but, rather, a seniors issue, this would be it. But I got to town and learned it is a big drug manufacturers' issue.

This is not a seniors bill we are going to be voting on this week. This is a bill written by the big drug manufacturers to benefit the big drug manufacturers. I am sick and tired of all this partisan bickering. I am sick and tired of Democrats being locked out, committee members being locked out of the room where they are writing this bill. If they get the drug manufacturers up out of the chairs at the table, they would have room for Members of Congress that have been elected like everyone else who had been appointed to that committee to address this issue. That is wrong and it is shameful, and it is a disgrace to our democracy.

There are several problems with this bill. There are really a lot of problems with it. Let me just list a few of them for my colleagues, if I may. If anyone has any doubt in their mind whether or not this bill was written by the big drug manufacturers, believe me, their fingerprints are all over it.

The Republican leadership actually had the nerve to put language in this bill that says the Federal Government shall be prohibited, prohibited, from negotiating with the big drug manufacturers to bring down the high cost of medicine. That is in the bill. And they call it a seniors' bill.

The second problem is the privatization aspect. Let me tell you why the big drug manufacturers want to see this Medicare prescription drug benefit privatized. You hear how drugs are cheaper, less expensive, less costly in other countries. It is true. I did a study about a year ago where we compared the price paid by seniors in Arkansas's 4th Congressional District on the five most commonly used brand-name drugs with the price paid by seniors on those same drugs in seven other countries. And what we found was startling. Seniors in my congressional district back home in Arkansas pay on average 110 percent more, 110 percent more than seniors pay on average in those other countries. Now, why is that? Because America is the only industrialized nation in the world where people go without health insurance.

In these other countries everybody has health insurance and in these other countries their governments tell the big drug manufacturers if you want your drug in our country, you are going to give us a discount. And they do. Well, the drug manufacturers know that if we have 40 million seniors all under one plan in America, then we too as a government will demand those kinds of discounts and rebates to help offset the cost of the program. Thus the reasoning for creating and privatizing a Medicare prescription drug benefit.

Our parents, our grandparents are literally going to have hundreds of insurance companies knocking on their door, calling them on the phone, sending them mail all trying to sell them exactly the same policy because they want to spread those 40 million people every which way they can so no one will have the buying power to demand those discounts from the drug manufacturers.

This bill does nothing to bring down the high cost of prescription drugs. In fact, no insurance company has come forward to say they will offer a prescription drug plan for seniors. And that is why in this bill, the Republicans have put a $12 slush fund, $12 billion, they are just going to give to private insurance companies that will agree to offer a prescription drug benefit for seniors. There is a reason Medicare was created 38 years ago. Insurance is about spreading the risk. And the reality is with seniors there is no risk to spread. Seniors spend a lot of money on health care to either stay healthy or to get well. Privatizing Medicare will not work. If they get away with this, Social Security will be next.

Finally, the benefit itself. Number one is, as my colleague from Texas (Mr. SANDLIN) said so eloquently, the benefit does not even start until 2006. Folks, any time there is a plan offered up that does not kick in until after the next election, you ought to be leery of it. This plan does not even kick in until 2006. And when it does, this is what everyone get, and when I explain what they get, they are going to have a clear understanding of why they want to make sure it does not kick in until after the next election:

There is a premium of about $35 a month, although they cannot tell you for sure what it will be, but they think somewhere around $35 a month. That is $420 a year. Then there is a deductible of $275 a year. Then from $275 worth of prescription drugs each year that a senior meets up to $2,200, the senior pays 25 percent and Medicare pays 75 percent. That part actually sounds pretty decent. So the senior is out $481.25 on that part. But listen to this: once the senior has spent $2,200 on prescription drugs in a year, and as a small-town pharmacy owner I can tell you for a lot of seniors that only takes about 3 or 4 or 5 months, once a senior spends $2,200, all the way up to $5,044, the senior is back paying the full cost of the prescription on their own. Medicare pays nothing. But, guess what? Medicare continues to bill you the $35-a-month premium.

□ 2340

That is $2,844 out of seniors' pockets.

Mr. PALLONE. Mr. Speaker, maybe my colleague was going to say it, but we have done some statistical analysis that shows the majority of the seniors fall into the donut hole. So some people might think, well, I am not going

to fall into that, but most seniors will be in that situation where they are paying a premium and getting nothing at some point.

Mr. ROSS. Absolutely, good point, and I appreciate the gentleman from New Jersey pointing that out.

The bottom line is, and you need a CPA to figure this thing out, but when you take all the numbers I just presented and add them up, and the bottom line, all this talk on the floor of the House of Representatives, the vote that is going to occur is going to boil down to this, that in 2006 seniors are going to get a prescription drug plan written by the big drug manufacturers that requires seniors to pay out of their own pocket $4,020.25 out of the first $5,044. Let me repeat that. Seniors under this plan, which does not even start until 2006, are going to pay $4,020.25 out of the first $5,044.

Contrast that to Members of Congress, the health insurance plan we have, and quite frankly, the health insurance plan that most people who are fortunate to have health insurance in America now is very similar. Members of Congress pay $1,261 on the first $5,044, with their insurance plan picking up the difference. So the Republican leadership thinks that they should only pay $1,261 on the first $5,044, but they want seniors, they want our mothers and grandmothers, to pay $4,020.25 on the first $5,044.

Mr. PALLONE. Mr. Speaker, reclaiming my time, the reason why the Republicans have carved out this donut hole, which is going to make all these seniors, as my colleague says, pay a premium and get nothing in return is because they save a tremendous amount of money. Here they are worried about saving some money at the expense of the seniors at the Federal Government level, but yet they are going to throw all this money to the HMOs and to private companies to plus up the money that they get, and they do not have to have any kind of cost containment which would bring the costs down to the Federal Government. After all, if we had cost containment, the Federal Government would not have to shell out all this extra money, and we could fill that donut hole. I mean, it is just a way of saving money to the Federal Government, but at the same time, at the expense of the senior citizens.

Mr. SANDLIN. Mr. Speaker, if the gentleman would yield, my good friend from Arkansas (Mr. ROSS) brings up an excellent point, and our friends on the other side of the aisle, the Republicans, continually say we need to offer a plan to seniors that is just as good as the ones that the Members of Congress have, and if it is good enough for Congress, then it is good enough for our seniors. I would like to inquire of the gentleman from Arkansas about that and ask him, does the plan presented by the Republicans match the plan in Congress, and do we in Congress have a donut hole? Is there any gap in coverage suffered by the Members of Congress?

Mr. ROSS. Mr. Speaker, Members of Congress pay 25 percent of the cost of the medicine, at least under the health plan that I am on and most of us are on. There are several options to choose from, and anyone with private health insurance, and again we have got 43.6 million people without health insurance in this country. Ten million of them unfortunately are children, but most people fortunate enough to have health insurance pay roughly 20 to 25 percent of the cost of the medicine. So in the first $5,044, Members of Congress pay $1,261, but the Republican national leadership wants our mothers and grandmothers and fathers and grandfathers to pay $4,020.25 out of the first $5,044, and that is a benefit that does not even kick in until 2006.

I will give them this. Starting in April of 2004, they are going to give our seniors a prescription drug discount card. You stay up late enough tonight and watch cable TV. They will be advertised on TV. You can buy them, and any discount that is realized from that card comes directly from your family pharmacy and not from the big drug manufacturer.

Again, they are not going to the root of the cause. Eighty-seven percent of the costs of medicine comes from the big drug manufacturer. This discount card does not discount any of the money paid by the big drug manufacturer, and so the savings amounts to 50 cents to $3. They did a study on this. This literally amounts to 50 cents to $3.

So you take a senior that is on six prescriptions a month and a $500 drug bill, let us say it is $3 per prescription. That is an $18 savings. How in the world is that going to help seniors choose between the light bill, rent, or groceries?

Mr. PALLONE. Mr. Speaker, I know the gentleman is familiar with the pharmacy industry. The bill avoids any cost containment. It actually says the Secretary of Medicare administrator cannot negotiate price reductions. There is nothing in the bill with these discount cards that would have any impact on the drug companies' ability to raise prices. So you might not save anything, right, if they raise the price and you get the same discount? You may end up paying more.

Mr. ROSS. Number 1, the discount is not being paid by the drug manufacturer, which is 87 percent of the cost to the manufacturer. The discount is being paid by your family pharmacy in amounts of 50 cents to $3.

More importantly, and I do not think this has ever been raised on the floor of this House, but this bill preempts State laws that regulate discount cards. About half the States in America, because these cards are so fly-by-night and so fraudulent and have ripped off so many seniors, because they find out the benefit they are getting from it is less than what they charge per month for the card, that most States in America now have regulations to monitor and control these so-called discount prescription drug cards. This bill preempts those State laws. There will be no regulation of these discount card companies.

Max Richtman is the head of the National Committee to Preserve Social Security and Medicare. I want to say they are a bipartisan group. They are not. They are nonpartisan, and they are nonprofit. That is the Nation's second largest senior advocacy group, and I think he put it pretty well. He said, Have you ever heard of Medicare fraud? This Republican prescription drug bill, it is Medicare fraud. It is nothing more than a false hope and a false promise for our seniors.

This is America, and we can do better than this by our seniors, by our greatest generation.

Mr. PALLONE. Mr. Speaker, I appreciate the gentleman's comments and his insight from the pharmacy business, and I think we have about maybe seven or eight minutes. I would like to yield now to the gentleman from Ohio (Mr. STRICKLAND), my colleague on the Subcommittee on Health.

Mr. STRICKLAND. Mr. Speaker, I thank the gentleman for yielding, and I have been sitting here listening to this discussion, and I feel a quiet anger because I think something is being contemplated in this House that is going to be detrimental, perhaps devastating, to what I would consider the second most important piece of legislation Congress has ever passed to help seniors, and I am talking about the Medicare program.

A lot of people in this chamber are nervous because they are afraid if they do not support this bad bill that our Republican friends will get a lot of money from the pharmaceutical companies, the President will go out and raise a lot of money and they will run a lot of TV ads. They are especially nervous because of the action of the AARP, the recent decision of the AARP to endorse this shameful piece of legislation, but I have heard from some of my constituents who are members of the AARP in the last few days, and they are outraged. They are outraged at their national leadership, and so I am not at all intimidated by the fact that the AARP has seemingly sold out the people they are supposed to be representing.

I would like to just emphasize the fact that the executive director and the CEO of AARP, Mr. William D. Novelli, wrote a foreword to a book written by Newt Gingrich. Remember Newt Gingrich, when he was Speaker of the House talking about Medicare and saying that it would wither on the vine? Well, because of Mr. Gingrich's personal problems and some other issues, he is no longer Speaker, but those who want Medicare to wither on the vine are alive and well, and many of them are leaders in this House of Representatives.

I would just like to share with my colleagues what Mr. Novelli, this CEO of AARP, said in the foreword to Newt Gingrich's book.

□ 2350

He wrote: ''Newt's ideas are influencing how we at AARP are thinking about our national role in health promotion and disease prevention and in our advocating for system change.'' I wonder how many AARP members across this country agree with Newt Gingrich, and how many of them feel good about their CEO and executive director actually saying that Newt Gingrich's ideas are going to be influencing how AARP will be advocating for system change.

The system change they are talking about is the destruction of Medicare as we know it. The American people need to understand that under this plan that is being promoted by the President and by the leadership in this House, they cannot maintain their relationship in traditional Medicare and have prescription drug coverage. They will be forced out of traditional Medicare and forced into a Medicare HMO, or if one is available, they will have to go outside traditional Medicare and purchase a drug-only plan. We are not talking about a Medicare prescription drug plan, we are talking about an HMO privatized prescription drug plan.

Mr. PALLONE. Reclaiming my time for a moment, Mr. Speaker, I know what the Republicans say. They say, oh, you can stay in traditional Medicare, but you do not get the drug benefit. And the only way you get it is if these plans the gentleman is talking about are not available in their particular area.

But, as I said before, it is very easy with all this money that they are throwing to these private plans to get one in an area that would provide the semblance of coverage at a very high cost, and then you are totally precluded from getting the drug benefit under traditional Medicare.

Mr. STRICKLAND. We have talked this evening about the fact that this plan does not start until 2006, and they say, well, it takes time, I guess, for the insurance companies to set this up. It would take very little time if we were simply to provide a prescription drug plan as a part of the traditional Medicare program. We could get this program underway, I would guess, in a matter of a few months, at most.

And yet they are going to pass this, or try to pass it. If they pass it, they are going to go tell America's seniors, we did it for you. Of course, it will not take effect until 2006, and by the time seniors find out what they have been given, they will realize they have been snookered. They will have been snookered, but the 2004 election will have passed, and we will have been able to boast to the American people that we provided them something. But what they will have provided the American people is a bitter pill.

I just hope that all of my colleagues, Republican and Democrat alike, will reject this sham legislation, protect Medicare, and do what is right for our seniors. I hope we will have the courage to stand strong in the face of what is going to be, and we all know it, it is going to be an onslaught of TV advertising paid for by the pharmaceutical companies. And that is a shame.

Mr. PALLONE. I want to thank the gentleman from Ohio and the rest of my colleagues. I think we may only have another minute or so left, but I started out by saying early this evening that I just want to provide a prescription drug benefit, as we all do on the Democratic side, for our seniors. We do not care about the ideology. We do not care about the different labels, conservative, liberal, progressive, whatever.

But the problem is, the Republicans are providing a sham bill. They are doing all kinds of twists and turns and whatever rather than just providing a straight drug benefit, and yet it is so easy, as my colleague said, to do just that. We just need to add it to traditional Medicare, just like we do with part B now.

I go around and explain that to seniors, and that is what they think they are getting. They think this is going to be a new part C or part D. And just like they receive their pay, the Federal Government pays for their doctor bills, that it will be the same way. They have no idea that they have to go through all these twists and turns and have to join an HMO or find some drug-only policy and end up paying a variable premium. It is going to be so shocking to them when they finally figure it out.

But as the gentleman said, the Republicans have figured this out. They have figured, let us pass it, get through the 2004 election, and then 2 years later, when they finally figure it out, well, we will deal with that later.

Mr. Speaker, I see my colleague from Arkansas is here, and so I will yield to him.

Mr. ROSS. We have primarily tonight talked about the Medicare prescription drug benefit, or the lack of it, under the Republican prescription drug plan, but this 1,100-page bill, which they have not even allowed us to see yet, has other provisions in it that I think are worth noting, two primarily.

One is that it increases part B deductibles for seniors in 2005, and then they will be indexed to grow based on part B expenditures for each year thereafter. They are going to increase part B deductibles. That is nothing more than a tax on sick seniors.

Secondly, a lot of seniors rely on oxygen to stay alive in their home and hospitals beds, and they are getting those things now through a local supplier. They have the freedom to choose. This is going to be put out for competitive bidding. Competitive bidding. That means that if your oxygen machine breaks or you have an ice storm, and you have to have a portable tank, and your supplier may be someone that lives 5 or 6 hours away, that is a serious issue.

This bill has a lot more problems than simply the lack of a prescription drug benefit. But I will close, Mr. Speaker, by simply saying this: If seniors cannot afford the first $2,200 worth of medicine, tell me how they are going to afford the next $2,844? Because that is the gap. From $2,200 to $5,044 they are stuck paying the monthly premium of around $35, but they get no help at all. They are footing the bill entirely on their own. And that is wrong.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. CUMMINGS) to revise and extend their remarks and include extraneous material:

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. KUCINICH, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

Ms. SOLIS, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Mr. INSLEE, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. WATSON, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. MEEK of Florida, for 5 minutes, today.

The following Members (at the request of Mr. GINGREY) to revise and extend their remarks and include extraneous material:

Mrs. JO ANN DAVIS of Virginia, for 5 minutes, today.

Mr. SHUSTER, for 5 minutes, today.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, November 20.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 23. An act to amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks.

H.R. 1588. An act to authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, for military construction, and for defense activities

of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

H.R. 2744. An act to designate the facility of the United States Postal Service located at 514 17th Street in Moline, Illinois, as the ''David Bybee Post Office Building''.

H.R. 2754. An act making appropriations for energy and water development for the fiscal year ending September 30 2004, and for other purposes.

H.R. 3175. An act to designate the facility of the United States Postal Service located at 2650 Cleveland Avenue, NW in Canton, Ohio, as the ''Richard D. Watkins Post Office Building''.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 3210 East 10th Street in Bloomington, Indiana, as the ''Francis X. McCloskey Post Office Building''.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 254. An act to revise the boundary of the Kaloko-Honokohau National Historical Park Addition Act of 2003.

S. 867. An act to designate the facility of the United States Postal Service located at 710 Wicks Land in Billings, Montana, as the ''Ronald Reagan Post Office Building.''

S. 1066. An act to correct a technical error from Unit T–07 of the ''John H. Chafee Coastal Barrier Resources System.''

S. 1590. An act to redesignate the facility of the United States Postal Service located at 315 Empire Boulevard in Crown Heights, Brooklyn, New York, as the ''James E. Davis Post Office Building.''

S. 1718. An act to designate the facility of the United States Postal Service located at 3710 West 73rd Terrace in Prairie Village, Kansas, as the ''Senator James B. Pearson Post Office.''

S.J. Res. 18. A joint resolution commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years.

S.J. Res. 22. A joint resolution recognizing the Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research.

ADJOURNMENT

Mr. ROSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Thursday, November 20, 2003, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5468. A letter from the Principal Deputy, Department of Defense, transmitting the Department's report entitled ''Effects of FY 2000 Compensation Initiatives on Recruiting and Retention,'' pursuant to 37 U.S.C. 1015, Public Law 106—65, section 673; to the Committee on Armed Services.

5469. A letter from the Chairman and Secretary, Board of Governors of the Federal Reserve System and Department of the Treasury, transmitting Pursuant to section 103(d) of the Gramm-Leach-Bliley Act, a report concerning financial holding companies; to the Committee on Financial Services.

5470. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the determination and memorandum of justification pursuant to Section 2(b)(6) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

5471. A letter from the Senior Staff Attorney, United States Court of Appeals for the First Circuit, transmitting an opinion of the United States Court of Appeals for the District of Columbia Circuit (No. 03-1407 — Maroni v. Pemi-Baker Regional School District (October 9, 2003)); to the Committee on Education and the Workforce.

5472. A letter from the Secretary, Department of the Treasury, transmitting an annual report to the President and to the Congress on the audit of the Telecommunications Development Fund, pursuant to 47 U.S.C. 614; to the Committee on Energy and Commerce.

5473. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report entitled, ''Preliminary Fleet Alternative Fuel Vehicles Program Report for Fiscal Year 2003'' October 20, 2003, pursuant to Public Law 105—388; to the Committee on Energy and Commerce.

5474. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Commuications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), FM Table of Allotments, FM Broadcast Stations. (Magnolia, Arkansas and Oil City, Louisiana) [MB Docket No. 02-199 RM-10514] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5475. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communication Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (DeRidder, De Quincy, and Merryville, Louisiana and Newton, Texas) [MM Docket No. 02-56 RM-10391 RM-10581] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5476. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communication Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Washington, Watkinsville, Gray, Forsyth, Irwinton, and Atlanta, Georgia) [MM Docket No. 01-281 RM-10287] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5477. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations. (Conway, South Carolina) [MB Docket No. 03-110 RM-10700] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5478. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations. (Broken Bow, Oklahoma) [MM Docket No. 01-209 RM-10224] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5479. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Taccoa, Sugar Hill, and Lawrenceville Georgia] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5480. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.606(b), Table of Allotments, Television Broadcast Stations; and 73.622(b), Table of Allotments, Digital Broadcast Television Stations (Asheville, North Carolina and Greenville, South Carolina) [MB Docket No. 02-363 RM-10604] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5481. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Okmulgee and Glenpool, Oklahoma) [MM Docket No. 02-15 RM-10364] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5482. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), FM Table of Allotments, FM Broadcast Stations. (Depoe Bay, Garibaldi, Cottage Grove, Veneta and Toledo, Oregon) [MB Docket No. 02-255 RM-10524] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5483. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Auburn, Northport, Tuscaloosa, Camp Hill, Gardendale, Homewood, Birmingham, Dadeville, Orrville, Goodwater, Pine Level, Jemison, and Thomaston, Alabama) [MM Docket No. 01-104 RM-10103 RM-10323 RM-10324] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5484. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Wapanucka, Oklahoma) [MM Dkt No.01-181 RM-10201]; (Evant, Texas) [MM Dkt No.01-188 RM-10203]; (Comanche, Texas) [MM Dkt No.01-190 RM-10210]; (Hollis, Oklahoma) [MM Dkt No.01-217 RM-10236]; (Santa Anna, Texas) [MM Dkt No.01-220 RM-10239]; (Mooreland, Oklahoma) [MM Dkt No.01-226 RM-10254]; (Junction, Texas) [MM Dkt No.01-228 RM-10256]; (Alton, Missouri) [MM Dkt No.01-233 RM-10261]; (Taos, New Mexico) [MM Dkt No.01-282 RM-10293]; (McCamey, Texas) [MM D kt No.01-283 RM-10294]; (Dickens, Texas) [MM Dkt No.01-284 RM-10295]; (Hamlin, Texas) to the Committee on Energy and Commerce.

5485. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Macon, Mississippi) [MM Docket No. 01-38 RM-10064] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5486. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations. (Sault Saint Marie, Michigan) [MB Docket No. 02-83 RM-10404] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5487. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Old Fort, Fletcher, and Asheville, North Carolina; Surgoinville, Tennessee, and Augusta, GA) [MM Docket No. 01-175 RM-10197] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5488. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of the Television Table of Allotments to Delete Noncommercial Reservation to Channel 16, 482-488 MHz, Pittsburgh, Pennsylvania [MM Docket No. 01-276 Facility ID Number 41314] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5489. A letter from the Senior Legal Advisor to the Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations. (Kernville, California) [MB Docket No. 03-111 RM-10701] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5490. A letter from the Senior Legal Advisor to the Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Othello and Basin City, Washington) [MB Docket No. 03-25 RM-10637] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5491. A letter from the Senior Legal Advisor to the Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Roundup, Montana) [MB Docket No. 02-127 RM-10449] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5492. A letter from the Senior Legal Advisor to the Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Orange, Midlothian, and South Hill, Virginia, and Reidsville, North Carolina) [MB Docket No. 03-47 RM-10592] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5493. A letter from the Senior Legal Advisor to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast stations. (Farmington, Grass Valley, Jackson, Lindon, Placerville and Fair Oaks, California, and Carson City and Sun Valley, Nevada) [MM Docket No. 90-189 RM-6904 RM-7114 RM-7186 RM-7415 RM-7298] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5494. A letter from the Senior Legal Advisor to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Cadiz and Oak Grove, Kentucky) [MM Docket No. 93-314 RM-8396] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5495. A letter from the Senior Legal Advisor, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Savannah, Springfield and Tybee Island, Georgia) [MB Docket No. 03-119 RM-10694] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5496. A letter from the Chief of Staff, Consumer & Governmental Affairs Bureau, Federal Communications Commission, transmitting the Commission's final rule — Provision of Improved Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities [CC Docket No. 98-67] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5497. A letter from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications COmmission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Marion and Johnston City, Illinois) [MB Docket No. 03-13 RM-10628] received October 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committeeon Energy and Commerce.

5498. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal 20-03 informing of an intent to sign the Second Amendment to the Addendum to the Multilateral Memorandum of Understanding (MMOU) on NATO Airborne Early Warning and Control (AEW&C), pursuant to Section 27(f) of the Arms Export Control Act and Section 1(f) of Executive Order 11958, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

5499. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of major defense equipment and defense articles to the United Kingdom (Transmittal No. DTC 108-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5500. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of major defense equipment and defense articles to the Czech Republic (Transmittal No. DDTC 114-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5501. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of export of Items to Iraq in the National Interest of the United States pursuant to section 1504 of the Emergency Wartime Supplemental Appropriation Act, 2003 (Transmittal No. DTC 03IZ-03); to the Committee on International Relations.

5502. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report concerning Cuban emigration policies, pursuant to Public Law 105—277, section 2245; to the Committee on International Relations.

5503. A letter from the Inspector General, Department of the Interior, transmitting the Department's inventory of commercial and inherently governmental activities prepared in accordance with the Federal Activities Reform (FAIR) Act of 1998 (P.L. 105-270) and the Office of Management and Budget (OMB) Circular No. A-76; to the Committee on Government Reform.

5504. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2003 through September 30, 2003, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 8G(h)(2); to the Committee on Government Reform.

5505. A letter from the Director, Office of Management and Budget, transmitting a report entitled ''Statistical Programs of the United States Government: Fiscal Year 2004,'' pursuant to 44 U.S.C. 3504(e)(2); to the Committee on Government Reform.

5506. A letter from the Register of Copyrights and Under Secretary of Commerce for Intellectual Property, Copyright Office and the Patent and Trademark Office, transmitting a copy of the joint report on the effectiveness of the Vessel Hull Design Protection Act, as mandated by section 504 of the Digital Millennium Copyright Act and section 5005 of the Intellectual Property and Communications Omnibus Reform Act; to the Committee on the Judiciary.

5507. A letter from the Chair, United States Sentencing Commission, transmitting an emergency ammendment passed by unanimous vote on October 8, 2003, and the accompanying report in response to section 401(m) of the Prosecutorial Remedies and Other Tools to end the Exploitation of Children Today Act of 2003, Pub. L. No. 108-21 (the ''PROTECT Act''); to the Committee on the Judiciary.

5508. A letter from the Deputy Director, Bureau of Transportation Statistics, transmitting the Transportation Statistics Annual Report 2003, pursuant to 49 U.S.C. 111(j); to the Committee on Transportation and Infrastructure.

5509. A letter from the Assistant Secretary for Border and Transportation Security, Department of Homeland Security, transmitting the Department's Annual Report of the Task Force on the Prohibition of Importation of Products of Forced or Prison Labor from the People's Republic of China, pursuant to 22 U.S.C. 6961; to the Committee on Ways and Means.

5510. A letter from the Comptroller, Department of Defense, transmitting notification of funding transfers made during FY 2003, as required by section 8005 of the Department of Defense Appropriations Acts, 2001, 2002, and 2003; and section 1001 of the National Defense Authorization Acts for fiscal years (FY) 2001, 2002, and 2003; and notification of funding transfers made during FY 2003 under the authority of the Consolidated Appropriations Resolution, 2003, the Emergency Supplemental Appropriations Act, 2003, and the Homeland Security Act, 2003; jointly to the Committees on Armed Services and Appropriations.

5511. A letter from the Attorney General and Secretary, Departments of Justice and Health and Human Services, transmitting the sixth Annual Report on the Health Care Fraud and Abuse Control (HCFAC) Program for Fiscal Year 2002, pursuant to 42 U.S.C. 1395i; jointly to the Committees on Energy and Commerce and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TOM DAVIS of Virginia: Committee on Government Reform. H.R. 2751. A bill to provide new human capital flexibilities with respect to the GAO, and for other purposes; with an amendment (Rept. 108–380). Referred

to the Committee of the Whole House on the State of the Union.

Mr. GOSS: Committee of Conference. Conference report on H.R. 2417. A bill to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 108–381). Ordered to be printed.

Mr. SESSIONS: Committee on Rules. House Resolution 449. Resolution providing for consideration of motions to suspend the rules (Rept. 108–382). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 450. Resolution providing for the consideration of the joint resolution (H.J. Res. 78) making further continuing appropriations for the fiscal year 2004, , and for other purposes (Rept. 108–383). Referred to the House Calendar.

Mr. GOSS: Committee on Rules. House Resolution 451. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 108–384). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TIERNEY (for himself, Ms. MCCOLLUM, Mr. GEORGE MILLER of California, Mr. KILDEE, Mr. OWENS, Mr. PAYNE, Mr. ANDREWS, Ms. WOOLSEY, Mr. HINOJOSA, Mrs. MCCARTHY of New York, Mr. KUCINICH, Mr. WU, Mr. HOLT, Mr. DAVIS of Illinois, Mr. CASE, Mr. GRIJALVA, Mr. VAN HOLLEN, Mr. RYAN of Ohio, Mr. BISHOP of New York, Mr. EMANUEL, and Ms. PELOSI):

H.R. 3519. A bill to address rising college tuition by strengthening the compact between the States, the Federal government, and institutions of higher education to make college more affordable; to the Committee on Education and the Workforce.

By Mrs. KELLY:

H.R. 3520. A bill to reduce duplication in Federal financial literacy and financial programs, identify more effective ways to provide financial education, and facilitate greater cooperation at the Federal, State and local levels and between government units and entities in the private sector by requiring the establishment of a national strategy for assuring financial education, and for other purposes; to the Committee on Financial Services.

By Mr. THOMAS:

H.R. 3521. A bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARRETT of South Carolina (for himself, Mr. MILLER of Florida, and Mr. GOODE):

H.R. 3522. A bill to amend the Immigration and Nationality Act to bar the admission, and facilitate the removal, of alien terrorists and their supporters and fundraisers, to secure our borders against terrorists, drug traffickers, and other illegal aliens, to facilitate the removal of illegal aliens and aliens who are criminals or human rights abusers, to reduce visa, document, and employment fraud, to temporarily suspend processing of certain visas and immigration benefits, to reform the legal immigration system, and for other purposes; to the Committee on the Judiciary.

By Mr. BELL (for himself, Mr. COLE, Mr. CANNON, and Mr. JEFFERSON):

H.R. 3523. A bill to extend the same Federal benefits to law enforcement officers serving private institutions of higher education and rail carriers, that apply to law enforcement officers serving units of State and local government; to the Committee on the Judiciary.

By Ms. GINNY BROWN-WAITE of Florida:

H.R. 3524. A bill to amend the Missing Children's Assistance Act to extend the applicability of such Act to individuals determined to have a mental capacity less than 18 years of age; to the Committee on Education and the Workforce.

By Mr. DOOLITTLE (for himself, Mr. HASTERT, Mr. DELAY, Mr. SAM JOHNSON of Texas, Mr. HERGER, Mr. LEWIS of California, and Mr. MCKEON):

H.R. 3525. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office; to the Committee on House Administration, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DUNCAN:

H.R. 3526. A bill to require the Secretary of the Treasury to mint coins in commemoration of David Crockett and his contributions to American history; to the Committee on Financial Services.

By Mrs. JOHNSON of Connecticut (for herself, Mr. BECERRA, Mr. HOUGHTON, Mr. WELLER, Mr. CARDIN, and Mr. NEAL of Massachusetts):

H.R. 3527. A bill to amend the Internal Revenue Code of 1986 to exclude from unrelated business taxable income the gain or loss on the sale or exchange of certain brownfield sites, and for other purposes; to the Committee on Ways and Means.

By Mrs. LOWEY:

H.R. 3528. A bill to amend the Federal Water Pollution Control Act to authorize the use of funds made available for nonpoint source management programs for projects and activities relating to the development and implementation of phase II of the storm water program of the Environmental Protection Agency; to the Committee on Transportation and Infrastructure.

By Mr. MCKEON:

H.R. 3529. A bill to direct the Secretary of the Interior to cancel certain Bureau of Land Management leases that authorize extraction of sand and gravel from the Federal mineral estate in lands in Soledad Canyon adjacent to the City of Santa Clarita, California, and for other purposes; to the Committee on Resources.

By Mr. GEORGE MILLER of California (for himself, Mr. ABERCROMBIE, Mr. EVANS, Mr. GRIJALVA, Mr. ANDREWS, Mr. OWENS, Mr. BROWN of Ohio, Ms. MCCOLLUM, Mr. FRANK of Massachusetts, Mr. PAYNE, Ms. DELAURO, Mr. MCGOVERN, Mr. DAVIS of Illinois, Ms. LINDA T. SANCHEZ of California, Mr. LYNCH, Mr. KUCINICH, Mr. RYAN of Ohio, Mr. FARR, Mr. MICHAUD, Mr. TIERNEY, Ms. ROYBAL-ALLARD, Ms. WOOLSEY, Mr. BISHOP of New York, Mr. HINOJOSA, Mr. DELAHUNT, Mr. CROWLEY, Mr. BACA, Mr. KILDEE, Mr. RODRIGUEZ, Mr. GREEN of Texas, Mr. HOLT, Mr. SANDERS, Mr. BERMAN, and Mr. LANTOS):

H.R. 3530. A bill to provide for labor recruiter accountability, and for other purposes; to the Committee on Education and the Workforce.

By Mr. MURPHY (for himself, Mr. MURTHA, and Mr. ENGLISH):

H.R. 3531. A bill to amend the Internal Revenue Code of 1986 to provide for a transferable credit against the income tax for producing energy from waste coal; to the Committee on Ways and Means.

By Mr. RYUN of Kansas:

H.R. 3532. A bill to amend the National Trails System Act to improve the efficiency and fairness of acquiring railroad rights-of-way for interim use as public trails by applying the procedures that govern other Federal real estate acquisitions; to the Committee on Resources.

By Mr. SAXTON:

H.R. 3533. A bill to amend the Federal Credit Reform Act of 1990 to require appropriations to cover the estimated subsidy costs of monetary resources provided by the United States Government to the International Monetary Fund, and for other purposes; to the Committee on the Budget, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TANCREDO (for himself, Mr. DEAL of Georgia, Mr. DUNCAN, Mr. HEFLEY, and Mr. HERGER):

H.R. 3534. A bill to enhance border enforcement, improve homeland security, remove incentives for illegal immigration, and establish a guest worker program; to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, Government Reform, Education and the Workforce, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOOMEY:

H.R. 3535. A bill to amend title XVIII of the Social Security Act to facilitate the use of private contracts under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WELLER (for himself, Mr. RUSH, Mr. JACKSON of Illinois, Mr. LIPINSKI, Mr. GUTIERREZ, Mr. EMANUEL, Mr. HYDE, Mr. DAVIS of Illinois, Mr. CRANE, Ms. SCHAKOWSKY, Mr. KIRK, Mr. COSTELLO, Mrs. BIGGERT, Mr. HASTERT, Mr. JOHNSON of Illinois, Mr. MANZULLO, Mr. EVANS, Mr. LAHOOD, and Mr. SHIMKUS):

H.R. 3536. A bill to designate the facility of the United States Postal Service located at 210 Main Street in Malden, Illinois, as the ''Army Staff Sgt. Lincoln Hollinsaid Malden Post Office''; to the Committee on Government Reform.

By Mr. WELLER (for himself, Mr. RUSH, Mr. JACKSON of Illinois, Mr. LIPINSKI, Mr. GUTIERREZ, Mr. EMANUEL, Mr. HYDE, Mr. DAVIS of Illinois, Mr. CRANE, Ms. SCHAKOWSKY, Mr. KIRK, Mr. COSTELLO, Mrs. BIGGERT, Mr. HASTERT, Mr. JOHNSON of Illinois, Mr. MANZULLO, Mr. EVANS, Mr. LAHOOD, and Mr. SHIMKUS):

H.R. 3537. A bill to designate the facility of the United States Postal Service located at 185 State Street in Manhattan, Illinois, as the ''Army Pvt. Shawn Pahnke Manhattan Post Office''; to the Committee on Government Reform.

By Mr. WELLER (for himself, Mr. RUSH, Mr. JACKSON of Illinois, Mr. LIPINSKI, Mr. GUTIERREZ, Mr. EMANUEL, Mr. HYDE, Mr. DAVIS of Illinois, Mr. CRANE, Ms. SCHAKOWSKY, Mr. KIRK, Mr. COSTELLO, Mrs. BIGGERT, Mr. HASTERT, Mr. JOHNSON of Illinois, Mr. MANZULLO, Mr. EVANS, Mr. LAHOOD, and Mr. SHIMKUS):

H.R. 3538. A bill to designate the facility of the United States Postal Service located at 201 South Chicago Avenue in Saint Anne, Illinois, as the ''Marine Capt. Ryan Beaupre Saint Anne Post Office''; to the Committee on Government Reform.

By Mrs. WILSON of New Mexico (for herself and Mr. TOWNS):

H.R. 3539. A bill to amend the Public Health Service Act to direct the Secretary of Health and Human Services to establish, promote, and support a comprehensive prevention, research, and medical management referral program for hepatitis C virus infection; to the Committee on Energy and Commerce.

By Mr. BAIRD:

H.J. Res. 77. A joint resolution proposing an amendment to the Constitution of the United States regarding the appointment of individuals to fill vacancies in the House of Representatives; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.J. Res. 78. A joint resolution making further continuing appropriations for the fiscal year 2004, and for other purposes; to the Committee on Appropriations.

By Mr. TOWNS (for himself and Mr. FALEOMAVAEGA):

H. Con. Res. 329. Concurrent resolution congratulating the people and Government of the Republic of Kazakhstan on the twelfth anniversary of the independence of Kazakhstan and praising longstanding and growing friendship between the United States and Kazakhstan; to the Committee on International Relations, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LANTOS (for himself, Mr. SHAYS, Mr. FRANK of Massachusetts, Mr. GEPHARDT, Mr. KUCINICH, Mr. MORAN of Virginia, Mr. HINCHEY, Mr. PALLONE, Mr. MATSUI, Ms. NORTON, Ms. LEE, Mr. ABERCROMBIE, Mr. MCNULTY, Mr. DELAHUNT, Mr. ENGEL, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. BERMAN, Ms. SCHAKOWSKY, Mr. GEORGE MILLER of California, Ms. SLAUGHTER, Mr. CONYERS, Mr. BRADY of Pennsylvania, Mr. CROWLEY, Mr. EVANS, Mr. JACKSON of Illinois, Ms. MILLENDER-MCDONALD, Mr. LEWIS of Georgia, Mr. WEINER, Mrs. MALONEY, Ms. WOOLSEY, Mr. FROST, Mr. STARK, Mr. LEVIN, Mr. FILNER, Mr. ALLEN, Mr. CAPUANO, Mr. OLVER, Mr. WEXLER, Mr. SANDERS, Ms. MCCOLLUM, Mr. GRIJALVA, Mr. GONZALEZ, Mr. OWENS, Ms. BALDWIN, and Ms. MAJETTE):

H. Con. Res. 330. Concurrent resolution expressing the concern of Congress regarding human rights violations committed against lesbians, gay men, bisexuals, and transgendered (LGBT) individuals around the world based on their real or perceived sexual orientation or gender identity; to the Committee on International Relations.

By Mr. SOUDER:

H. Con. Res. 331. Concurrent resolution expressing the sense of the Congress that the President should seek to enter into a free trade agreement with the United Kingdom; to the Committee on Ways and Means.

By Mr. CAMP (for himself, Mr. HERGER, Mr. SHAW, and Mr. BRADY of Texas):

H. Res. 452. A resolution recognizing and supporting the goals and ideals of National Adoption Month; to the Committee on Government Reform.

By Mr. HASTINGS of Florida (for himself, Mr. WEXLER, Ms. ROS-LEHTINEN, Mr. LANTOS, Mr. MENENDEZ, Ms. GRANGER, Mr. WHITFIELD, Mr. BERMAN, Mr. WEINER, Mr. DEUTSCH, Mr. ENGLISH, Mr. WAXMAN, Mr. REYES, Mr. MORAN of Virginia, Mr. WYNN, Ms. HARMAN, Mr. LEVIN, Mr. ENGEL, Ms. KAPTUR, Mr. TOWNS, Ms. NORTON, Mr. ACKERMAN, Mr. LEWIS of Georgia, Mr. BURTON of Indiana, Ms. SOLIS, Mr. DICKS, Mr. NADLER, Mr. CROWLEY, Mr. RODRIGUEZ, and Mrs. TAUSCHER):

H. Res. 453. A resolution condemning the terrorist attacks in Istanbul, Turkey, on November 15, 2003, expressing condolences to the families of the individuals murdered and expressing sympathies to the individuals injured in the terrorist attacks, and standing in solidarity with Turkey in the fight against terrorism; to the Committee on International Relations.

By Mrs. JONES of Ohio:

H. Res. 454. A resolution encouraging the AMBER Alert Coordinator of the Department of Justice to include within the minimum standards established pursuant to the PROTECT Act a specific criterion for issuance of an alert through the AMBER Alert communications network; to the Committee on the Judiciary.

By Mr. MURPHY (for himself, Mr. KOLBE, Mr. CANTOR, Mr. GERLACH, Mr. SHUSTER, Mr. PEARCE, Mr. LATHAM, Mr. SWEENEY, Mr. WELDON of Florida, Mrs. EMERSON, Mr. TAYLOR of North Carolina, Ms. HARRIS, and Mr. KENNEDY of Rhode Island):

H. Res. 455. A resolution expressing the sense of the House of Representatives in support of establishing a program to foster private investment by the people of the United States in Iraqi schools and hospitals through adopt-a-school and adopt-a-hospital initiatives; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

224. The SPEAKER presented a memorial of the Legislature of the State of Florida, relative to House Memorial No. 1669 memorializing the Congress of the United States to provide for the conveyance of the National Forest System lands underlying the George Kilpatrick Dam on the Oklawaha River near Palatka, Florida, and the National Forest System lands lying below the 21 feet National Geodetic Vertical Datum (NGVD) underlying the Rodman Reservoir formed by such dam and National Forest Service Tract #C-615 to the State of Florida; to the Committee on Agriculture.

225. Also, a memorial of the Senate of the Commonwealth of Pennsylvania, relative to Senate Resolution No. 163 urging the President and the Congress of the United States to continue to support the revitalization of the American steel industry; to the Committee on Ways and Means.

226. Also, a memorial of the Legislature of the State of Florida, relative to Senate Memorial No. 1180 urging the Congress of the United States to enact prescription drug coverage as part of the federal Medicare program; jointly to the Committees on Ways and Means and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 31: Mrs. MYRICK.

H.R. 54: Mr. HULSHOF.

H.R. 218: Mr. SMITH of Washington, Mrs. CAPPS, and Mr. INSLEE.

H.R. 331: Mr. SCHROCK.

H.R. 375: Mr. JONES of North Carolina.

H.R. 401: Mr. FLAKE.

H.R. 486: Mr. PETRI.

H.R. 713: Mr. ACEVEDO-VILO, Mr. GUTKNECHT, and Mr. FILNER.

H.R. 715: Mr. RYAN of Ohio.

H.R. 734: Mr. MICHAUD, Mr. ROTHMAN, Mr. TOWNS, Mr. SANDERS, and Mr. FROST.

H.R. 834: Mr. GEPHARDT.

H.R. 839: Mr. BISHOP of Georgia, Mr. BARRETT of South Carolina, Mr. MATSUI, Mr. SHERWOOD, and Mr. FEENEY.

H.R. 840: Mr. DAVIS of Alabama.

H.R. 857: Mr. SANDLIN, Mrs. BONO, Mr. MILLER of North Carolina, Mr. BAIRD, MR. TIERNEY, Ms. LEE, Mr. RUPPERSBERGER, and Mr. GOSS.

H.R. 876: Mr. EVERETT, Mr. BARRETT of South Carolina, Mr. GONZALEZ, Mr. BAIRD, Ms. MCCOLLUM, Mr. BALLANCE, Ms. BERKLEY, Mr. BOUCHER, Ms. ROS-LEHTINEN, Mr. DAVIS of Illinois, Mr. GORDON, Mr. HONDA, and Mr. TOWNS.

H.R. 898: Mr. SHUSTER.

H.R. 1285: Mr. MORAN of Virginia, Ms. BERKLEY, Mr. OBERSTAR, Mrs. TAUSCHER, Mr. DEFAZIO, Ms. HOOLEY of Oregon, Mrs. MCCARTHY of New York, Ms. MCCOLLUM, and Mr. MCDERMOTT.

H.R. 1336: Mr. KLINE, Mr. DEMINT, Mr. BARRETT of South Carolina, and Ms. ROS-LEHTINEN.

H.R. 1372: Mr. VITTER, Mr. HEFLEY, and Mr. NUNES.

H.R. 1414: Mr. SHAYS.

H.R. 1434: Mr. JEFFERSON, Mr. OWENS, and Mr. THOMPSON of Mississippi.

H.R. 1532: Mr. PORTER, Mr. CARDIN, Mrs. BIGGERT, Mr. BRADY of Pennsylvania, Ms. KAPTUR, Mr. KLECZKA, Mr. CHABOT, and Mr. BAIRD.

H.R. 1659: Mr. BACA.

H.R. 1680: Mr. MICHAUD.

H.R. 1688: Mr. KIND, Mr. DAVIS of Illinois, Mr. GREEN of Texas, Mr. OBERSTAR, Mr. WYNN, Mr. HINCHEY, Ms. WATSON, Mr. CONYERS, Mr. HALL, Ms. MILLENDER-MCDONALD, Mr. WEXLER, Mr. LAMPSON, Mr. BERMAN, and Ms. BERKLEY.

H.R. 1700: Mr. BRADLEY of New Hampshire.

H.R. 1708: Mr. LAHOOD.

H.R. 1776: Mr. GARRETT of New Jersey.

H.R. 1824: Mr. JENKINS, Mr. Emanuel, and Mr. LAHOOD.

H.R. 1914: Mr. BASS, Mr. GERLACH, Mr. BEAUPREZ, Mr. PEARCE, Mr. SHERWOOD, Mr. SHIMKUS, Mr. THOMAS, Mr. ROHRABACHER, Mr. BACHUS, Mr. BARTON of Texas, Ms. BERKLEY, Mrs. BONO, Mr. CARSON of Oklahoma, Mr. CHABOT, Mr. CHOCOLA, Mr. COOPER, Ms. DELAURO, Mr. DOOLEY of California, Mr. EMANUEL, Mr. FORD, Mr. FRANKS of Arizona, Mr. GRAVES, Mr. HALL, Mr. HENSARLING, Mr. HULSHOF, Mr. ISRAEL, Mr. LANGEVIN, Mrs. LOWEY, Mr. MANZULLO, Mr. MARKEY, Mr. MATHESON, Mr. MEEKS of New York, Mr. MENENDEZ, Mr. GARY G. MILLER of California, Mr. PITTS, Ms. PRYCE of Ohio, Mr. QUINN, Mr. RADANOVICH, Mr. ROGERS of Kentucky, Mr. SHERMAN, Mr. SIMPSON, Mr.

TANCREDO, Mr. WALDEN of Oregon, Mr. YOUNG of Alaska, and Mr. NEUGEBAUER.

H.R. 1943: Mr. BEREUTER.

H.R. 2096: Mr. MANZULLO, Mr. NUSSLE, Mr. GALLEGLY, Mr. SAXTON, and Mr. TOOMEY.

H.R. 2217: Ms. WOOLSEY.

H.R. 2314: Mrs. JONES of Ohio.

H.R. 2347: Mr. FERGUSON.

H.R. 2404: Mrs. LOWEY and Mr. TURNER of Texas.

H.R. 2582: Mr. MCDERMOTT.

H.R. 2727: Mr. OLVER.

H.R. 2760: Mr. BURTON of Indiana and Mr. MORAN of Virginia.

H.R. 2768: Mr. CARDIN, Mr. WYNN, and Mr. RUPPERSBERGER.

H.R. 2808: Mr. BALLANCE, Ms. CORRINE BROWN of Florida, Mrs. DAVIS of California, Ms. HARRIS, Mr. HOUGHTON, Mr. LEVIN, Mr. MARSHALL, Mr. MEEHAN, Mr. MURTHA, Mr. PAYNE, Ms. PELOSI, Mr. PENCE, Mr. PRICE of North Carolina, and Mr. TIERNEY.

H.R. 2809: Mr. FALEOMAVAEGA.

H.R. 2810: Mr. FALEOMAVAEGA.

H.R. 2818: Ms. NORTON, Ms. CORRINE BROWN of Florida, and Mr. ABERCROMBIE.

H.R. 2823: Mr. FRANK of Massachusetts, Mr. LAHOOD, and Mr. RAMSTAD.

H.R. 2851: Mr. KING of Iowa.

H.R. 2852: Mr. BURGESS.

H.R. 2879: Ms. SOLIS.

H.R. 2897: Ms. DELAURO, Ms. KILPATRICK, and Mr. BROWN of Ohio.

H.R. 2929: Mr. GREEN of Texas.

H.R. 2945: Mr. MCDERMOTT.

H.R. 2952: Mrs. KELLY and Mr. PRICE of North Carolina.

H.R. 2961: Mr. UPTON, Mrs. LOWEY, Mr. KENNEDY of Rhode Island, Mr. MCGOVERN, Mr. BOSWELL, Mr. BROWN of Ohio, Mr. HINCHEY, Mr. SANDERS, Mr. SIMMONS, Mr. ANDREWS, Mr. REYES, Mr. ROTHMAN, and Mr. MARSHALL.

H.R. 2978: Mr. NEY and Mr. WYNN.

H.R. 2980: Mr. WAXMAN, Ms. NORTON, Mr. KLECZKA, and Mr. SERRANO.

H.R. 3003: Mr. BONILLA.

H.R. 3051: Mr. PASCRELL and Mr. WYNN.

H.R. 3064: Mr. UPTON, Mr. MOORE, and Mrs. BIGGERT.

H.R. 3084: Mr. BISHOP of New York.

H.R. 3109: Mr. AKIN, Mrs. BIGGERT, Mr. BOOZMAN, Mr. JANKLOW, Mr. LATOURETTE, MR. VITTER, Mr. WALDEN of Oregon, Mr. WELDON of Pennsylvania, Mr. WILSON of South Carolina, Mr. BURNS, Mr. BURR, Mr. BURTON of Indiana, Mr. BUYER, Mr. CAMP, Mrs. CAPITO, Mr. COLE, Mr. COLLINS, Mr. COX, Mr. CRENSHAW, Mr. CULBERSON, Mr. DEAL of Georgia, Mr. MCCRERY, Mr. MCHUGH, Mr. GARY G. MILLER of California, Mr. MORAN of Kansas, Mr. NEUGEBAUER, Mr. NORWOOD, and Mr. OSE.

H.R. 3120: Ms. MILLENDER-MCDONALD.

H.R. 3125: Mr. PETRI and Mr. LEWIS of Kentucky.

H.R. 3133: Mr. FROST.

H.R. 3150: Mr. SMITH of Washington, Mrs. MALONEY, Mr. BERMAN, Mr. LARSEN of Washington, Mr. DAVIS of Florida, Mr. FORD, and Mr. PRICE of North Carolina.

H.R. 3184: Mr. DAVIS of Alabama.

H.R. 3190: Mr. WICKER, Mr. BISHOP of Utah, and Mr. MCCOTTER.

H.R. 3213: Mr. HALL and Mr. BASS.

H.R. 3242: Mr. CASE and Mr. SPRATT.

H.R. 3244: Mr. ISRAEL.

H.R. 3277: Mr. HAYES, Mr. SHINKUS, Ms. MCCARTHY of Missouri, Mr. PASCRELL, Mr. ORTIZ, Mr. STRICKLAND, Mr. DAVIS of Tennessee, Ms. SOLIS, Mr. LAMPSON, Mr. MCINTYRE, Mr. BROWN of Ohio, Mr. ALLEN, Mr. COSTELLO, Mr. WU, Mr. RYAN of Ohio, Ms. KAPTUR, Mr. NEAL of Massachusetts, Mrs. CAPPS, Mr. MARSHALL, Mr. PALLONE, Mr. OLVER, Mr. KENNEDY of Minnesota, Mr. GREEN of Texas, Mr. BISHOP of Utah, Mr. REYNOLDS, Mr. LEWIS of Kentucky, Mr. GREENWOOD, Mr. KELLER, Mr. ROGERS of Michigan, Mr. THORNBERRY, Mr. GOODLATTE, Mr. FRANKS of Arizona, Mr. REHBERG, Mr. BRADLEY of New Hampshire, Mr. HERGER, Mr. FERGUSON, Mr. PEARCE, Mr. GINGREY, Mr. BOOZMAN, Mr. COLE, Mr. MILLER of Florida, Mr. FORBES, and Mr. BROWN of South Carolina.

H.R. 3278. Mr. VAN HOLLEN.

H.R. 3306: Mr. GUTIERREZ.

H.R. 3307: Mr. DREIER.

H.R. 3308: Mr. KING of Iowa, Mr. HENSARLING, Mrs. MUSGRAVE, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. NAPOLITANO, Mr. NETHERCUTT, Mr. REGULA, Mr. RYUN of Kansas, and Mr. BEAUPREZ.

H.R. 3344: Mr. MATHESON, Mr. ORTRIZ, Mr. GREEN of Texas, Mr. SNYDER, and Mr. MARSHALL.

H.R. 3350: Mr. GUTIERREZ and Mr. ABERCROMBIE.

H.R. 3352: Mr. MILLER of Florida and Mr. HINCHEY.

H.R. 3358: Mr. GOODLATTE.

H.R. 3371: Mr. SNYDER.

H.R. 3403: Mr. FOLEY.

H.R. 3424: Mr. MEEKS of New York and Ms. BERKLEY.

H.R. 3425: Mr. RODRIGUEZ, Mr. SPRATT, Mr. VAN HOLLEN, and Mr. RANGEL.

H.R. 3429: Mr. UPTON.

H.R. 3441: Mr. DEUTSCH and Mr. WALSH.

H.R. 3442: Mr. VAN HOLLEN, Mr. MCDERMOTT, Mr. DAVIS of Illinois, Ms. LEE, Mrs. CAPITO, Mr. WYNN, Mr. GUTIERREZ, Mr. CONYERS, Mr. HONDA, Ms. WATSON, Mr. GORDON, Ms. KAPTUR, Mr. RODRIGUEZ, Mr. KILDEE, and Mr. BERMAN.

H.R. 3471: Mr. ISRAEL.

H.R. 3476: Mr. GRAVES, Mr. TOWNS, Mr. GUTIERREZ, Mr. BOSWELL, Mr. HOLDEN, Mr. ABERCROMBIE, Ms. MILLENDER-MCDONALD, Mr. JEFFERSON, Mr. GRIJALVA, Mr. GREEN of Texas, Mr. MICHAUD, Mr. JACKSON of Illinois, Mr. EDWARDS, Mr. COSTELLO, Mr. WILSON of South Carolina, Mr. BOUCHER, Mr. GOODE, Mr. LAHOOD, and Mr. GOODLATTE.

H.R. 3500: Mr. ETHERIDGE, Mr. JENKINS, Mr. GORDON, Mr. HILL, Mr. BOUCHER, and Mr. MARSHALL.

H.J. Res. 40: Mr. WICKER.

H. Con. Res. 126: Mr. FRANKS of Arizona.

H. Con. Res. 218: Mr. FOLEY.

H. Con. Res. 247: Mr. BRADLEY of New Hampshire.

H. Con. Res. 276: Mr. FILNER, Mr. ABERCROMBIE, Mr. DEFAZIO, Mr. RYAN of Ohio, Mr. FROST, Mr. STARK, and Mr. MICHAUD.

H. Con. Res. 307: Mr. RODRIGUEZ, Mr. FLAKE, and Mr. CANTOR.

H. Con. Res. 311: Mr. CROWLEY and Mr. DEUTSCH.

H. Con. Res. 312: Mrs. JONES of Ohio, Mr. PAYNE, Mr. HINOJOSA, Mrs. DAVIS of California, and Ms. DELAURO.

H. Con. Res. 315: Mr. SMITH of New Jersey.

H. Con. Res. 323: Ms. KILPATRICK and Mr. PAYNE.

H. Con. Res. 325: Mr. GILCHREST.

H. Res. 291: Ms. ESHOO.

H. Res. 346: Mr. MCHUGH.

H. Res. 371: Mr. JANKLOW.

H. Res. 387: Ms. WOOLSEY.

H. Res. 393: Ms. CARSON of Indiana.

H. Res. 402: Mr. BALLENGER.

H. Res. 410: Mr. MCGOVERN.

H. Res. 445: Mr. BERRY, Mr. STRICKLAND, Mrs. JONES of Ohio, Mr. MURTHA, Mr. STUPAK, and Mr. KUCINICH.

H. Res. 447: Mrs. MALONEY and Mr. JACKSON of Illinois.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1078: Mr. BARRETT of South Carolina.

PETITIONS, ETC.

Under clause 3 of rule XII,

44. The SPEAKER presented a petition of the Town of Huntington, NY, relative to Town Board Resolution No. 2003-708, petitioning the United States Congress to enact the Assault Weapons Ban Reauthorization Act of 2003; which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 253

OFFERED BY MR. BEREUTER

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Flood Insurance Reform Act of 2003''.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the national flood insurance program (A) identifies the flood risk, (B) provides flood risk information to the public, (C) encourages State and local governments to make appropriate land use adjustments to constrict the development of land which is exposed to flood damage and minimize damage caused by flood losses, and (D) makes flood insurance available on a nationwide basis that would otherwise not be available, to accelerate recovery from floods, mitigate future losses, save lives, and reduce the personal and national costs of flood disasters;

(2) the national flood insurance program insures approximately 4,400,000 policyholders;

(3) approximately 48,000 properties currently insured under the program have experienced, within a 10-year period, two or more flood losses where each such loss exceeds the amount $1,000;

(4) approximately 10,000 of these repetitive-loss properties have experienced either two or three losses that cumulatively exceed building value or four or more losses, each exceeding $1,000;

(5) repetitive-loss properties constitute a significant drain on the resources of the national flood insurance program, costing about $200,000,000 annually;

(6) repetitive-loss properties comprise approximately one percent of currently insured properties but are expected to account for 25 to 30 percent of claims losses;

(7) the vast majority of repetitive-loss properties were built before local community implementation of floodplain management standards under the program and thus are eligible for subsidized flood insurance;

(8) while some property owners take advantage of the program allowing subsidized flood insurance without requiring mitigation action, others are trapped in a vicious cycle of suffering flooding, then repairing flood damage, then suffering flooding, without the means to mitigate losses or move out of harm's way;

(9) mitigation of repetitive-loss properties through buyouts, elevations, relocations, or flood-proofing will produce savings for policyholders under the program and for Federal taxpayers through reduced flood insurance losses and reduced Federal disaster assistance;

(10) a strategy of making mitigation offers aimed at high-priority repetitive-loss properties and shifting more of the burden of recovery costs to property owners who choose

to remain vulnerable to repetitive flood damage can encourage property owners to take appropriate actions that reduce loss of life and property damage and benefit the financial soundness of the program; and

(11) the method for addressing repetitive-loss properties should be flexible enough to take into consideration legitimate circumstances that may prevent an owner from taking a mitigation action.

SEC. 3. EXTENSION OF PROGRAM AND CONSOLIDATION OF AUTHORIZATIONS.

The National Flood Insurance Act of 1968 is amended as follows:

(1) BORROWING AUTHORITY.—In the first sentence of section 1309(a) (42 U.S.C. 4016(a)), by striking ''through December'' and all that follows through '', and'' and inserting the following: ''through the date specified in section 1319, and''.

(2) AUTHORITY FOR CONTRACTS.—In section 1319 (42 U.S.C. 4026), by striking ''after'' and all that follows and inserting ''after September 30, 2008.''.

(3) EMERGENCY IMPLEMENTATION.—In section 1336(a) (42 U.S.C. 4056(a)), by striking ''during the period'' and all that follows through ''in accordance'' and inserting ''during the period ending on the date specified in section 1319, in accordance''.

(4) AUTHORIZATION OF APPROPRIATIONS FOR STUDIES.—In section 1376(c) (42 U.S.C. 4127(c)), by striking ''through'' and all that follows and inserting the following: ''through the date specified in section 1319, for studies under this title.''.

SEC. 4. ESTABLISHMENT OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.

(a) IN GENERAL.—The National Flood Insurance Act of 1968 is amended by inserting after section 1361 (42 U.S.C. 4102) the following new section:

''PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES

''SEC. 1362. (a) AUTHORITY.—To the extent amounts are made available for use under this section, the Director may, subject to the limitations of this section, provide financial assistance to States and communities for taking actions with respect to severe repetitive loss properties (as such term is defined in subsection (b)) to mitigate flood damage to such properties and losses to the National Flood Insurance Fund from such properties.

''(b) SEVERE REPETITIVE LOSS PROPERTY.—For purposes of this section, the term 'severe repetitive loss property' has the following meaning:

''(1) SINGLE-FAMILY PROPERTIES.—In the case of a property consisting of one to four residences, such term means a property that—

''(A) is covered under a contract for flood insurance made available under this title; and

''(B) has incurred flood-related damage—

''(i) for which four or more separate claims payments have been made under flood insurance coverage under this title before the date of the enactment of the Flood Insurance Reform Act of 2003, with the amount of each such claim exceeding $5,000, and with the cumulative amount of such claims payments exceeding $20,000;

''(ii) for which four or more separate claims payments have been made under flood insurance coverage under this title after the date of the enactment of the Flood Insurance Reform Act of 2003, with the amount of each such claim exceeding $3,000, and with the cumulative amount of such claims payments exceeding $15,000; or

''(iii) for which at least two separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the property.

''(2) MULTIFAMILY PROPERTIES.—In the case of a property consisting of five or more residences, such term shall have such meaning as the Director shall by regulation provide.

''(c) ELIGIBLE ACTIVITIES.—Amounts provided under this section to a State or community may be used only for the following activities:

''(1) MITIGATION ACTIVITIES.—To carry out mitigation activities that reduce flood damages to severe repetitive loss properties, including elevation, relocation, demolition, and floodproofing of structures, and minor physical localized flood control projects.

''(2) PURCHASE.—To purchase severe repetitive loss properties, subject to subsection (f).

''(d) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Director may not provide assistance under this section to a State or community in an amount exceeding 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from non-Federal funds for carrying out the eligible activities to be funded with such assistance amounts.

''(2) WAIVER.—

''(A) AUTHORITY.—Subject to subparagraph (B), the Director may waive the limitation under paragraph (1) for any State, and for the communities located in that State, with respect to a year, if, for such year—

''(i) 5 percent or more of the total number of severe repetitive loss properties in the United States are located in such State; and

''(ii) the State submits a plan to the Director specifying how the State intends to reduce the number of severe repetitive loss properties and the Director determines, after consultation with State and technical experts, that the State has taken actions to reduce the number of such properties.

''(B) LIMITATION.—In each waiver under subparagraph (A), the Director may waive the limitation under paragraph (1) only to the extent that the State or community involved is required to contribute, for each severe repetitive loss property for which grant amounts are provided, not less than 10 percent of the cost of the activities for such properties that are to be funded with grant amounts.

''(3) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes State or local agency funds, in-kind contributions, any salary paid to staff to carry out the eligible activities of the recipient, the value of the time and services contributed by volunteers to carry out such activities (at a rate determined by the Director), and the value of any donated material or building and the value of any lease on a building.

''(e) STANDARDS FOR MITIGATION OFFERS.—The program under this section for providing assistance for eligible activities for severe repetitive loss properties shall be subject to the following limitations:

''(1) PRIORITY.—In determining the properties for which to provide assistance for eligible activities under subsection (c), the Director shall provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.

''(2) OFFERS.—The Director shall provide assistance in a manner that permits States and communities to make offers to owners of severe repetitive loss properties to take eligible activities under subsection (c) as soon as is practicable.

''(3) NOTICE.—Upon making an offer to provide assistance with respect to a property for any eligible activity under subsection (c), the State or community shall notify each holder of a recorded interest on the property of such offer and activity.

''(f) PURCHASE OFFERS.—A State or community may take action under subsection (c)(2) to purchase a severe repetitive loss property only if the following requirements are met:

''(1) USE OF PROPERTY.—The State or community enters into an agreement with the Director that provides assurances that the property purchased will be used in a manner that is consistent with the requirements of clauses (i) and (ii) of section 404(b)(2)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)(2)(B)) for properties acquired, accepted, or from which a structure will be removed pursuant to a project provided property acquisition and relocation assistance under such section 404(b).

''(2) PURCHASE PRICE.—The amount of purchase offer is not less than the greatest of—

''(A) the amount of the original purchase price of the property, when purchased by the holder of the current policy of flood insurance under this title;

''(B) the total amount owed, at the time the offer to purchase is made, under any loan secured by a recorded interest on the property;

''(C) an amount equal to the fair market value of the property immediately before the most recent flood event affecting the property;

''(D) an amount equal to the replacement value of the property immediately before the most recent flood event affecting the property, except that this subparagraph shall apply in the case only of a property for which the State or community taking action under subsection (c)(2) determines, and the Director concurs, that the fair market value referred to in subparagraph (C) of the property is less than the purchase price of a replacement primary residence that is of comparable value, functionally equivalent, and located in the same community or market area but not in an area having special flood hazards.

''(g) INCREASE TO ACTUARIAL RATES IN CASES OF REFUSAL TO MITIGATE.—

''(1) IN GENERAL.—In any case in which the owner of a severe repetitive loss property refuses an offer to take action under paragraph (1) or (2) of subsection (c) with respect to such property, the Director shall—

''(A) notify each holder of a recorded interest on the property of such refusal; and

''(B) increase the chargeable risk premium rate for flood insurance coverage under this title for the property to an amount equal to the applicable estimated risk premium rate for such area (or subdivision thereof) under section 1307(a)(1) and apply appropriate loss deductibles.

''(2) APPEALS.—

''(A) IN GENERAL.—Any owner of a severe repetitive loss property may appeal a determination of the Director to take action under paragraph (1)(B) with respect to such property, based only upon the following grounds:

''(i) As a result of such action, the owner of the property will not be able to purchase a replacement primary residence of comparable value and that is functionally equivalent.

''(ii) As a result of such action, the preservation or maintenance of any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the National Register of historic places will be interfered with, impaired, or disrupted.

''(iii) The flooding that resulted in the flood insurance claims described in subsection (b)(2) for the property resulted from

significant actions by a third party in violation of Federal, State, or local law, ordinance, or regulation.

''(iv) In purchasing the property, the owner relied upon flood insurance rate maps of the Federal Emergency Management Agency that were current at the time and did not indicate that the property was located in an area having special flood hazards.

''(B) PROCEDURE.—An appeal under this paragraph of a determination of the Director shall be made by filing, with the Director, a request for an appeal within 90 days after receiving notice of such determination. Upon receiving the request, the Director shall select, from a list of independent third parties compiled by the Director for such purpose, a party to hear such appeal. Within 90 days after filing of the request for the appeal, such third party shall review the determination of the Director and shall set aside such determination if the third party determines that the grounds under subparagraph (A) exist. During the pendency of an appeal under this paragraph, the Director shall stay the applicability of the rates established pursuant to paragraph (1).

''(C) EFFECT OF FINAL DETERMINATION.—In an appeal under this paragraph—

''(i) if a final determination is made that the grounds under subparagraph (A) exist, the third party hearing such appeal shall make a determination of how much to reduce the chargeable risk premium rate for flood insurance coverage for the property involved in the appeal from the amount required under paragraph (1) and the Director shall promptly reduce the chargeable risk premium rate for such property by such amount; and

''(ii) if a final determination is made that the grounds under subparagraph (A) do not exist, the Director shall promptly increase the chargeable risk premium rate for such property to the amount established pursuant to paragraph (1) and shall collect from the property owner the amount necessary to cover the stay of the applicability of such increased rates during the pendency of the appeal.

''(D) COSTS.—If the third party hearing an appeal under this paragraph is compensated for such service, the costs of such compensation shall be borne—

''(i) by the owner of the property requesting the appeal, if the final determination in the appeal is that the grounds under subparagraph (A) do not exist; and

''(ii) by the National Flood Insurance Fund, if such final determination is that the grounds under subparagraph (A) do exist.

''(E) REPORT.—Not later than 6 months after the date of the enactment of the Flood Insurance Reform Act of 2003, the Director shall submit a report to the House of Representatives and the Senate describing the rules, procedures, and administration for appeals under this paragraph.

''(h) DISCRETIONARY ACTIONS IN CASES OF FRAUDULENT CLAIMS.—If the Director determines that a fraudulent claim was made under flood insurance coverage under this title for a severe repetitive loss property, the Director may—

''(1) cancel the policy and deny the provision to such policyholder of any new flood insurance coverage under this title for the property; or

''(2) refuse to renew the policy with such policyholder upon expiration and deny the provision of any new flood insurance coverage under this title to such policyholder for the property.

''(i) FUNDING.—Pursuant to section 1310(a)(8), the Director may use amounts from the National Flood Insurance Fund to provide assistance under this section in each of fiscal years 2004, 2005, 2006, 2007, and 2008, except that the amount so used in each such fiscal year may not exceed $40,000,000 and shall remain available until expended. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.

''(j) TERMINATION.—The Director may not provide assistance under this section to any State or community after September 30, 2008.''.

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (7), by striking ''and'' at the end; and

(2) by striking paragraph (8) and inserting the following new paragraph:

''(8) for financial assistance under section 1362 to States and communities for taking actions under such section with respect to severe repetitive loss properties, but only to the extent provided in section 1362(i); and''.

SEC. 5. ENHANCED AUTHORITY IN FLOOD MITIGATION ASSISTANCE PROGRAM.

(a) MITIGATION ASSISTANCE FOR REPETITIVE CLAIMS PROPERTIES.—Section 1366(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

''(4) STANDARD FOR ASSISTANCE.—In providing grants under this subsection for mitigation activities, the Director shall give first priority for funding to repetitive claims properties, or to such subsets of such properties as the Director may establish pursuant to subsection (n)(2), that the Director determines are the most cost-effective for the taxpayers of the United States, are in the best interests of the National Flood Insurance Fund, and for which matching amounts under subsection (f) are available.''; and

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

''(6) NOTICE.—Upon making an offer to conduct any eligible mitigation activity under paragraph (5) with respect to a repetitive claims property or a severe repetitive loss property (as such term is defined in section 1362(b)) using amounts provided under this section, the State or community shall notify each holder of a recorded interest on the property of such offer and activity.''.

(b) LIMITATIONS ON PROPERTY ACQUISITION.—Section 1366(e)(5)(C) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(e)(5)(C)) is amended by striking ''for public use, as the Director determines is consistent with sound land management and use in such area'' and inserting the following: ''except that amounts provided under this section may not be used for acquisition of any property unless—

''(i) the State or community enters into an agreement with the Director that provides assurances that the property purchased will be used in a manner that is consistent with the requirements of clauses (i) and (ii) of section 404(b)(2)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)(2)(B)) for properties acquired, accepted, or from which a structure will be removed pursuant to a project provided property acquisition and relocation assistance under such section 404(b); and

''(ii) the amount of purchase offer is not less than the greatest of—

''(I) the amount of the original purchase price of the property, when purchased by the holder of the current policy of flood insurance under this title;

''(II) the total amount owed, at the time the offer to purchase is made, under any loan secured by a recorded interest on the property;

''(III) an amount equal to the fair market value of the property immediately before the most recent flood event affecting the property''; and

''(IV) an amount equal to the replacement value of the property immediately before the most recent flood event affecting the property, except that this subclause shall apply in the case only of a property for which the State or community determines, and the Director concurs, that the fair market value referred to in subclause (III) of the property is less than the purchase price of a replacement primary residence that is of comparable value, functionally equivalent, and located in the same community or market area but not in an area having special flood hazards''.

(c) WAIVER OF LIMITATIONS ON ASSISTANCE.—Section 1366(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(f)) is amended by striking paragraph (3) and inserting the following new paragraph:

''(3) WAIVER.—The Director may waive the dollar amount limitations under paragraphs (1) and (2) for any State or community—

''(A) for any 5-year period when a major disaster or emergency declared by the President (pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)) as a result of flood conditions is in effect with respect to areas in the State or community; or

''(B) whenever the Director determines that repetitive claims properties are located within such State or community and that waiver of the cost limitations is cost-effective and in the best interests of the National Flood Insurance Fund.''.

(d) PENALTIES FOR REFUSAL TO MITIGATE AND FRAUDULENT CLAIMS.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) by striking subsection (k);

(2) by redesignating subsection (j) as subsection (l); and

(3) by inserting after subsection (i) the following new subsections:

''(j) INCREASE TO ACTUARIAL RATES IN CASES OF REFUSAL TO MITIGATE.—

''(1) IN GENERAL.—In any case in which the owner of a repetitive claims property refuses an offer of a State or community to conduct, with respect to such property, mitigation activities under subsection (e) under a mitigation plan approved by the Director, the Director shall—

''(A) notify each holder of a recorded interest on the property of such refusal; and

''(B) increase the chargeable risk premium rate for flood insurance coverage under this title for the property to an amount equal to the applicable estimated risk premium rate for such area (or subdivision thereof) under section 1307(a)(1) and apply appropriate loss deductibles.

''(2) APPEALS.—

''(A) MITIGATION ACTIONS.—Any owner of a repetitive claims property may appeal a determination of the Director to take action under paragraph (1)(B) with respect to such property, based only upon the following grounds:

''(i) As a result of such action, the owner of the property will not be able to purchase a replacement primary residence of comparable value and that is functionally equivalent.

''(ii) As a result of such action, the preservation or maintenance of any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the National Register of historic places will be interfered with, impaired, or disrupted.

''(iii) The flooding that resulted in the flood insurance claims payments described in subsection (n)(2) for the property resulted

from significant actions by a third party in violation of Federal, State, or local law, ordinance, or regulation.

''(iv) In purchasing the property, the owner relied upon flood insurance rate maps of the Federal Emergency Management Agency that were current at the time and did not indicate that the property was located in an area having special flood hazards.

''(B) PROCEDURE.—An appeal under this paragraph of a determination of the Director shall be made by filing, with the Director, a request for an appeal within 90 days after receiving notice of such determination. Upon receiving the request, the Director shall select, from a list of independent third parties compiled by the Director for such purpose, a party to hear such appeal. Within 90 days after filing of the request for the appeal, such third party shall review the determination of the Director and shall set aside such determination if the third party determines that the grounds under subparagraph (A) exist. During the pendency of an appeal under this paragraph, the Director shall stay the applicability of the rates established pursuant to paragraph (1).

''(C) EFFECT OF FINAL DETERMINATION.—In an appeal under this paragraph—

''(i) if a final determination is made that the grounds under subparagraph (A) exist, the third party hearing such appeal shall make a determination of how much to reduce the chargeable risk premium rate for flood insurance coverage for the property involved in the appeal from the amount required under paragraph (1) and the Director shall promptly reduce the chargeable risk premium rate for such property by such amount; and

''(ii) if a final determination is made that the grounds under subparagraph (A) do not exist, the Director shall promptly increase the chargeable risk premium rate for such property to the amount established pursuant to paragraph (1) and shall collect from the property owner the amount necessary to cover the stay of the applicability of such increased rates during the pendency of the appeal.

''(D) COSTS.—If the third party hearing an appeal under this paragraph is compensated for such service, the costs of such compensation shall be borne—

''(i) by the owner of the property requesting the appeal, if the final determination in the appeal is that the grounds under subparagraph (A) do not exist; and

''(ii) by the National Flood Mitigation Fund, if such final determination is that the grounds under subparagraph (A) do exist.

''(E) REPORT.—Not later than 6 months after the date of the enactment of the Flood Insurance Reform Act of 2003, the Director shall submit a report to the House of Representatives and the Senate describing the rules, procedures, and administration for appeals under this paragraph, which shall be submitted together with the report required under section 1362(g)(2)(E).

''(k) DISCRETIONARY ACTIONS IN CASES OF FRAUDULENT CLAIMS.—If the Director determines that a fraudulent claim was made under flood insurance coverage under this title for a repetitive claims property, the Director may—

''(1) cancel the policy and deny the provision to such policyholder of any new flood insurance coverage under this title for the property; or

''(2) refuse to renew the policy with such policyholder upon expiration and deny the provision of any new flood insurance coverage under this title to such policyholder for the property.''.

(e) COORDINATION WITH STATES AND COMMUNITIES.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended by adding at the end the following new subsection:

''(m) COORDINATION WITH STATES AND COMMUNITIES.—The Director shall, in consultation and coordination with States and communities:

''(1) IDENTIFICATION OF REPETITIVE CLAIMS PROPERTIES.—Identify repetitive claims properties and properties at risk of becoming repetitive claims properties.

''(2) MANAGEMENT OF 100-YEAR FLOODPLAIN.—Take such actions as are appropriate to encourage and improve participation of owners of properties that are not located in areas having special flood hazards but are located within the 100-year floodplain.''.

(f) DEFINITION OF REPETITIVE CLAIMS PROPERTY.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended by adding at the end the following new subsection:

''(n) DEFINITIONS.—For purposes of this section:

''(1) COMMUNITY.—The term 'community' means—

''(A) a political subdivision that—

''(i) has zoning and building code jurisdiction over a particular area having special flood hazards; and

''(ii) is participating in the national flood insurance program; or

''(B) a political subdivision of a State, or other authority, that is designated to develop and administer a mitigation plan and manage projects by political subdivisions, all of which meet the requirements of subparagraph (A).

''(2) REPETITIVE CLAIMS PROPERTY.—The term 'repetitive claims property' means, without regard to the ownership of the property, a property with respect to which claim payments for losses have been made—

''(A) under flood insurance coverage under this title,

''(B) on more than one occasion within a 10-year period, and

''(C) for which the cumulative value of the amount by which such claims exceed the amount of any applicable deductible under such coverage is $5,000 or more,

The Director may, by regulation, further define subsets of repetitive claims properties for purposes of subsection (e)(4).''.

(g) FUNDING.—Section 1367(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d(b)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4); and

(2) by striking paragraph (1) and inserting the following new paragraphs:

''(1) in each fiscal year, amounts from the National Flood Insurance Fund not exceeding $20,000,000;

''(2) in each of fiscal years 2004, 2005, 2006, 2007, and 2008, in addition to amounts under paragraph (1), amounts from the National Flood Insurance Fund not exceeding $40,000,000, to remain available until expended, except that—

''(A) such amounts shall be used only under section 1366 for mitigation activities for repetitive claims properties (as such term is defined in section 1366(n)); and

''(B) notwithstanding any other provision of this title, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title; and''.

SEC. 6. FEMA AUTHORITY TO FUND MITIGATION ACTIVITIES FOR INDIVIDUAL REPETITIVE CLAIMS PROPERTIES.

(a) IN GENERAL.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

''GRANTS FOR REPETITIVE INSURANCE CLAIMS PROPERTIES

''SEC. 1323. (a) IN GENERAL.—The Director may provide funding for mitigation actions that reduce flood damages to repetitive claims properties, but only if the Director determines that—

''(1) such activities are in the best interest of the National Flood Insurance Fund; and

''(2) such activities can not be funded under the program under section 1366 because—

''(A) the requirements of section 1366(g) are not being met by the State or community in which the property is located; or

''(B) the State or community does not have the capacity to manage such activities.

''(b) PRIORITY FOR WORST-CASE PROPERTIES.—In determining properties for which funding is to be provided under this section, the Director shall give priority based on the amount of losses to the National Flood Insurance Fund that claims for a property have caused or are reasonably expected to cause.

''(c) DEFINITION.—For purposes of this section, the term 'repetitive claims property' has the meaning given such term in section 1366(n).''.

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by adding at the end the following new paragraph:

''(9) for funding, not to exceed $10,000,000 in any fiscal year, for mitigation actions under section 1323, except that, notwithstanding any other provision of this title, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.''.

SEC. 7. ACTUARIAL RATE PROPERTIES.

(a) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by striking subsection (c) and inserting the following new subsection:

''(c) ACTUARIAL RATE PROPERTIES.—Subject only to the limitations provided under paragraphs (1) and (2), the chargeable rate shall not be less than the applicable estimated risk premium rate for such area (or subdivision thereof) under section 1307(a)(1) with respect to the following properties:

''(1) POST-FIRM PROPERTIES.—Any property the construction or substantial improvement of which the Director determines has been started after December 31, 1974, or started after the effective date of the initial rate map published by the Director under paragraph (2) of section 1360 for the area in which such property is located, whichever is later, except that the chargeable rate for properties under this paragraph shall be subject to the limitation under subsection (e).

''(2) PROPERTIES REFUSING MITIGATION ASSISTANCE.—Any property for which the Director has taken action under section 1362(g)(1) or 1366(i)(1).

''(3) CERTAIN LEASED COASTAL AND RIVER PROPERTIES.—Any property leased from the Federal Government (including residential and nonresidential properties) that the Director determines is located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.''.

(b) INAPPLICABILITY OF ANNUAL LIMITATIONS ON PREMIUM INCREASES.—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended by striking ''Notwithstanding'' and inserting ''Except with respect to properties described under paragraph (2) or (3) of subsection (c) and notwithstanding''.

SEC. 8. ELECTRONIC DATABASE OF REPETITIVE CLAIMS PROPERTIES.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended by adding at the end the following new subsection:

''(d) ELECTRONIC DATABASE OF REPETITIVE CLAIMS PROPERTIES.—The Director may, if the Director determines such action is feasible, establish and maintain a database identifying by location and address all repetitive claims properties (as such term is defined in section 1366(n)), repetitive loss structures (as such term is defined in section 1370), and severe repetitive loss properties (as such term is defined in section 1362(b)). If established, the Director shall make the database available to the public in a format that may be searched electronically. Such a database shall not include any information regarding ownership of properties.''.

SEC. 9. REPLACEMENT OF MOBILE HOMES ON ORIGINAL SITES.

Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended by adding at the end the following new subsection:

''(c) REPLACEMENT OF MOBILE HOMES ON ORIGINAL SITES.—

''(1) COMMUNITY PARTICIPATION.—The placement of any mobile home on any site shall not affect the eligibility of any community to participate in the flood insurance program under this title and the Flood Disaster Protection Act of 1973 (notwithstanding that such placement may fail to comply with any elevation or flood damage mitigation requirements), if—

''(A) such mobile home was previously located on such site;

''(B) such mobile home was relocated from such site because of flooding that threatened or affected such site; and

''(C) such replacement is conducted not later than the expiration of the 180-day period that begins upon the subsidence (in the area of such site) of the body of water that flooded to a level considered lower than flood levels.

''(2) DEFINITION.—For purposes of this subsection, the term 'mobile home' has the meaning given such term in the law of the State in which the mobile home is located.''.

SEC. 10. REITERATION OF FEMA RESPONSIBILITY TO MAP MUDSLIDES.

As directed in section 1360(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(b)), the Director of the Federal Emergency Management Agency is again directed to accelerate the identification of risk zones within flood-prone and mudslide-prone areas, as provided by subsection (a)(2) of such section 1360, in order to make known the degree of hazard within each such zone at the earliest possible date.

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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. STEVENS].

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Almighty and ever-living God, who is our light and our salvation, because of You we have a future and a hope. Your loving kindness is from everlasting to everlasting. Thank You for our opportunities to make this world better and to be instruments of Your love. Make us fit ambassadors of Your kingdom, as we invest in eternity.

Today, teach our Senators what You want them to do. Help them to trust Your wisdom and depend upon Your guidance. May they prosper and be in health even as their souls prosper.

In this Thanksgiving season, we praise You because You are our rock, our fortress, our strength, our salvation, our savior, and our shield. We pray in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance as follows:

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

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. This morning the Senate will conduct a period for morning business until 10:30 a.m. Following morning business, we expect to begin the Energy Policy Act conference report. If we are unable to reach consent for a time limit on the Energy conference report, it may be necessary to file cloture during today's session. In all likelihood, the Senate also will be taking up other conference reports as they become available, as well as nominations

NOTICE

If the 108th Congress, 1st Session, adjourns sine die on or before November 21, 2003, a final issue of the Congressional Record for the 108th Congress, 1st Session, will be published on Monday, December 15, 2003, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–410A of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through Friday, December 12, 2003. The final issue will be dated Monday, December 15, 2003, and will be delivered on Tuesday, December 16, 2003.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

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Members of the House of Representatives' statements may also be submitted electronically by e-mail, to accompany the signed statement, and formatted according to the instructions for the Extensions of Remarks template at http://clerkhouse.house.gov/forms. The Official Reporters will transmit to GPO the template formatted electronic file only after receipt of, and authentication with, the hard copy, and signed manuscript. Deliver statements to the Official Reporters in Room HT–60 of the Capitol.

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By order of the Joint Committee on Printing.

ROBERT W. NEY, *Chairman.*

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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on the Executive Calendar during tomorrow's session. Therefore, rollcall votes should be expected throughout the day. Leadership on both sides of the aisle has notified Senators that in all likelihood it will be necessary for us to work through the weekend. We are on target to complete our work this week, but it looks as though we will be in session working on Saturday and perhaps Sunday to complete action on the Energy and Medicare conference reports, as well as the appropriations measures.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The assistant minority leader.

Mr. REID. Mr. President, it is my understanding on the conference report it is privileged, but it could require a vote. On our side, we have no request for a vote to get the conference report on the floor. So on our side we do not need a vote, and I want the leader to know that. We worked last night with a couple of people who thought a vote would be necessary, but they no longer believe it is necessary, so we are ready to move to that as soon as it is here.

Mr. FRIST. Mr. President, responding through the Chair, we very much appreciate that because we are very eager to get to this Energy conference report and want to do it as soon as possible this morning. I have a couple of colleagues to talk to. A final decision will be made whether or not a vote will be required. If so, I would expect to have that vote very shortly after morning business.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for up to 60 minutes, with the first 30 minutes of the time under the control of the Democratic leader or his designee, and the second 30 minutes of the time under the control of the Senator from Texas, Mrs. HUTCHISON, or her designee.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

HAPPY 80TH BIRTHDAY

Mr. SCHUMER. First, I want to wish the President of the Senate a happy 80th birthday. I come from New York. We pride ourselves on good salmon. At his little gathering last night, the Alaska salmon looked beautiful and tasted as good as any salmon I ever tasted. I want to wish him a happy birthday and thank him for celebrating it with all of us.

ENERGY POLICY ACT AND MTBE

Mr. SCHUMER. Mr. President, what I would like to talk about today is the Energy bill that is coming upon us. I want to talk about one provision in there which I find to be one of the most abusive provisions that I have ever seen come down the pike, and that is the provision of a safe harbor for the MTBE producers.

As everyone knows, we have found that while MTBEs did work at cleaning air, they also worked at polluting the groundwater. What has happened in my State and in 38, I believe it is, of the 50 States is that when the MTBEs were spilled, they went into well water, into aquifers, and basically made the water undrinkable and unusable. This has left thousands and thousands of families in terrible shape, probably tens of thousands, and it is going to grow. It is going to be millions of families down the road because we are just learning of the extent of the MTBE spills.

We are being very generous, even without this safe harbor, to the MTBE producers. We are giving them $2 billion to shut down. How many small business men and women in America, when they shut down, get a Government subsidy? I think very few. But we are giving it to them and I am not arguing against that right now, as much as I oppose it.

We have also given them a safe harbor. We have said to them that you cannot be sued, and we have set a retroactive date of September 5 in this Energy bill. I should not say ''we.'' Two people who crafted the Energy bill did it. Nobody else had much say.

What will this mean? Let me tell you the situations I have found on Long Island and the Hudson Valley, in Orange County and Dutchess County, throughout my State.

MTBEs were spilled and have leaked into either individual wells of family homes or into aquifers upon which towns and villages depend. The water supply is gone. The people cannot use the water or drink the water. What does that mean? The least of it is they need bottled water to do everything—to drink, to brush their teeth, et cetera. They have to go out and buy bottled water. That is a significant expense to these families.

In most of the places I visited, the homes are modest. They are small homes. They are typical American families who have worked their lives and their little piece of the rock is their home.

Worse, however, is that you can't even take a shower because the MTBEs, it is said, give off some kind of vapor that could be very harmful if you shower regularly. So the families have to go to neighbors. Since often the spills are in whole tracts of land, it is not just walking across the street and knocking on the door. In some cases that is possible because some houses are not polluted and some are, that are next to each other. But usually they have to get in the car and drive the kids, drive themselves to take a shower. That renders their home—if not valueless, it knocks out their investment.

We have lots of people struggling with these MTBEs. What they have done, of course, is gone to the people who have created the problem. They have gone to the service station owner who might have spilled the gasoline, or the pipeline that ruptured. But the bottom line is, in most cases those people are out of business or not able to help.

So what happened was, because of lawsuits—and I am not one of the Democrats who is the leading advocate for the trial lawyers, but I do believe there are instances where lawsuits are the only solution. They went to oil companies with lawsuits, one in California, several in other parts of the country, and showed not only that the companies knew MTBEs were harmful but, worse, they didn't tell anybody.

If in the mid-1980s we found that MTBEs were polluting the groundwater and permanently doing such severe damage, wouldn't it have made sense for the oil companies and the producers to send notifications to the service stations, to the pipelines, to the trucking companies, and say: If this stuff spills, it could be dangerous. Be very careful. Here is what you do in the immediate case that there is a spill.

None of that happened. It is reminiscent of the cigarette industry. We knew cigarettes were harmful. Most people sort of had an inkling after 1965. I, for one, believe that just to do a lawsuit because you later find a product is harmful is not the strongest case. But in the cigarette industry, and now with the MTBEs, when the producer knew it and not only continued to produce it but didn't let the information out, that to me is egregious because you could have prevented a whole lot of harm.

So what we had throughout New York was the following. We had lawsuits, and even in many of the cases when it wasn't lawsuits, the oil companies were beginning to come forward. In Fort Montgomery, right near West Point, Orange County, are a lot of retirees from the military, in lovely homes near the banks of the Hudson River. The oil companies paid to put on these filters that would prevent the MTBEs from going into the drinking water, the bathing water, et cetera. In some places, up in Dutchess County, they were beginning to negotiate with the law firm. The town would pay some money, the oil companies would pay some money, and they would put in a water system of piped-in water because the entire drinking water, under a large number of homes, was gone.

Many of these cases didn't reach lawsuits because they were trying to sit down and work out a negotiation. But we all know that the threat of a lawsuit is the only thing that brought the oil companies to the table. But progress was being made dealing with this bad problem. I don't want to cast blame here; it is just a serious problem.

I ask my colleagues, if you are a homeowner and you bought your home and this stuff leaked half a mile away and leached into your aquifer and your home is worth half the value it was, and it could be made whole again by simply putting in a water supply, should we just say to the homeowner: Tough luck? Or should we try to figure out a way to have those who knew this horrible thing was happening help pay?

I would have felt better—maybe some of my colleagues don't like the idea of lawsuits; in this Energy bill we have $30 billion to fund everything under the Sun—had there been a fund to help the homeowners. If you don't like the way of lawsuits, that is fine, and if you believe the Government has some responsibility—which it probably does because the Government sanctioned MTBEs—fine. But what we are saying is, with this safe harbor, to the tens of thousands, soon to be hundreds of thousands, and probably into the millions of homeowners whose whole life savings are destroyed: Tough luck. You can't sue. You can't negotiate.

This is a classic case of what is wrong, sometimes, with the things we do here. We have sided with the oil companies that, at least, have as much blame as the innocent homeowner—more blame. And we have told the homeowners: Tough luck.

It is not fair. As I say, these are hard-working people. There is no fault of their own. No one thinks there is any culpability on the part of the homeowners.

We had things beginning to move in the proper direction, and because of the power of a limited few, and, frankly, because of the way this bill was created, with no debate, no chance for amendment—what we did here on the floor I think many on our side regret because we passed last year's Democratic bill which modified the safe harbor provision, due to the work of the Senator from California and some of the others, and then it was totally ignored and basically two people—both of whom I have a lot of respect for but they have a point of view quite different than many of us here on energy issues—negotiated the entire proposal.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. SCHUMER. I ask that I be given another 5 minutes since none of my colleagues is here.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, many of us believe this whole Energy bill is a travesty. Many of us believe there are three major energy issues that have occurred in the last 3 years. One was 9/11. It showed us the need to be independent of Middle Eastern oil. And China, of all places, because they are worried about dependence on Middle Eastern oil, is now instituting CAFE standards in their automobiles that are higher than ours. That should make every American think. If our country cannot take the necessary preparations to deal with a problem that is going to be nipping at our heels and then create real problems in America a few years from now, that is a sign of weakness of our country, and I love this country and I don't like to see us be weak. But we have done nothing on oil conservation.

I am not one of those who says we shouldn't produce new oil. I was one of six Democrats who voted to look in the east gulf, much to the chagrin of my friends from Florida. I think on Federal lands—certainly not in parks or monuments but on the huge forest land—we should not be so doctrinaire. If there is a good amount of oil and gas that can be recovered in an environmentally sound way, I think we should do so. We need to increase supply and decrease demand. But we are doing nothing to decrease demand. On that issue, we have done nothing.

The second issue that occurred with California and the way electricity flows in this country—again, talk to my colleagues from Washington and talk to my colleagues from California; they will tell you; they know this issue better than I—we are doing nothing in this bill to prevent another fiasco like the one which occurred in California, and the one I find most amazing is the recent blackout that many of us in the Northeast and Midwest suffered. We all know the reason is that no one is in charge of the grid. In some places, it is power companies; in some places, it is a conglomeration; in some places, it is ISOs.

There was consensus immediately after the blackout that we ought to have one national grid governed by someone who will look out for the transmission of electricity.

The analogy ought to be the highway system. We have one national highway system. Even though people drive within the States, commerce flows across State lines. So does electricity.

The idea of not creating a strong national unit that can determine how our power flows because we are going to need more power—again, I don't like those who say we shouldn't grow. We should grow, but we are going to need more power to grow. To not have a national grid after what we saw on August 14, I believe the date was, and to just sort of ignore history because a few special interests or a few power companies didn't like it—I try to read a little bit of history. When the special interests, whether they be left, right, or center, whether they be rich or poor, overcome the national interests, that is a sign of weakness. It is a sign of failure. And energy and power are two issues that demand some kind of national solution and some kind of long-term solution.

This bill, aside from the MTBE provision, is a hodgepodge of little special interest things. I know what it does. I ought to vote for it. I am getting a few things for New York State. If each one of us is going to say we got our little thing for our States and we are not dealing with the national problem—and the two are not mutually exclusive in most cases—then we are not serving America.

I predict that within 5 years we are going to need to do another Energy bill. I think the last one we did was in 1992. We are going to need to do another Energy bill because the best that can be said about this bill is it sidesteps the major problems. The worst that can be said about it, or one of the harshest things that can be said about it, is if you hired the right lobbyist and had the right connections, you got something in this bill.

But the thing I most object to is not all those little things in there but, rather, that they have taken the place of a national policy on energy which we do not have. If there was ever a time to have it, after 9/11, blackouts, and Enron in California, now is the time we should have created it. If we can't create it now, when?

I yield the floor. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). Without objection, it is so ordered.

ENERGY AND MEDICARE

Mrs. HUTCHISON. Mr. President, I rise today to talk about two monumental pieces of legislation that are coming this way and, hopefully, will be passed in the next 48 hours. I am hopeful that we will pass the Energy bill. The House has passed this Energy bill. I have heard a lot of discussion about it. It was a very hard-fought bill.

Since coming to the Senate 10 years ago, I have tried to have a part in passing energy legislation that would make our country self-sufficient. Ten years ago, I said we were too dependent on foreign oil. We were dependent upon foreign oil for about 50 percent of our energy needs. Today, 10 years later, it is 10 percent more. We are 60 percent more dependent on foreign oil for our energy needs.

It is a very important issue for our economy. Our economy is not the most stable right now, but it is in a recovery. We are dependent on energy for our factories, for our businesses, for our economy to remain stable, and for us to be able to continue to increase the number of jobs in our country. Having more energy self-sufficiency

will be very important for our country to be able to strengthen our economy, put people back to work, and go into a full recovery.

The bill we will have before the Senate in the next 48 hours is not a perfect bill, but it is a bill that I am very hopeful will pass so that we can start the process of having an energy policy that includes conservation, incentives for production, incentives for nuclear power. We have not had a nuclear powerplant built in America since 1978. It is our cleanest source of energy and it is energy that has the capacity to meet our needs. I am very hopeful we will pass this bill and we will work to fix some of the things not fixed in the bill.

I am hopeful also that we will pass Medicare prescription drug benefits. That is a bill in progress. We are going to have an incredible ending to this legislative session if we are able to work those bills out and pass them, including the jobs created in the Energy bill and to begin the process of providing our seniors a prescription drug benefit.

I see the Senator from the State of Oregon is on the Senate floor, and I yield to him up to 8 minutes.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH. I thank the Senator from Texas for yielding to me.

ENERGY

Mr. SMITH. Mr. President, in thinking about my remarks today, I was reflecting back upon the investments made during the Great Depression in the Pacific Northwest by President Franklin Roosevelt, by his congressional friends. They were at the time expensive, but they were done at a time in America, particularly the Pacific Northwest, when only 30 percent of the American people had electricity. One had to live in the city to have electricity.

President Roosevelt went to Oregon and Washington and dedicated the Bonneville Dam. At the time, in 1937, it was an enormous undertaking. He was a visionary when he dedicated that dam. He foresaw the benefits of universal electrification of our Nation from an economic and from an environmental point of view.

There were those who expressed concern about the cost of this Energy bill. In preparing for these remarks, I read the address of Franklin Roosevelt those many years ago because it is applicable even today. He ends his address with this adage, which is as true today as it was then:

> We in America are wiser in using our wealth on projects like this which will give us more wealth, better living, and greater happiness for our children.

It seems to me the difference between those for the bill and those against it has to do with money and the picking of winners and losers supposedly in this bill, and the difference of approach.

The American people want affordable energy. The American people want a clean environment. It does seem to me there are those on the other side who believe the best approach to get energy and to get more green policies in place is through regulation. Indeed, I saw with some interest an article in the Washington Post this morning in which the probable Democratic nominee, Howard Dean, calls for: An age of reregulation. There is the headline. He was apparently a born-again reregulator. He wants to reregulate American industry, and specifically energy.

It seems to me you can get different outcomes at the heavy hand, the club, of government. But I think what this legislation does is try to get to green results with affordable energy by incentivizing it with carrots. So you really have a choice between carrots and clubs, depending on which side you want to support in this debate and how you vote.

But, Mr. President, I rise today to speak in support of the conference report on H. 6, the Energy Policy Act of 2003. All of the conferees are to be congratulated for their tireless efforts to craft a bill that provides for real progress in securing our Nation's energy future. It is a positive step toward ensuring our farms, factories, and homes have energy they need at affordable prices.

The bill provides significant incentives for diversification of our energy sources and for investment in needed energy infrastructure.

I am pleased the bill authorizes $550 million in grants for biomass programs, which will help Oregon's communities and small businesses treat forested lands at high risk of catastrophic fires. This bill will promote the generation of electricity with the wood and brush removed from lands when lands are treated to reduce wildfire dangers.

The extension and expansion of tax credits for the generation of electricity from renewable resources will also benefit Oregon, which has been a leader in renewable energy production, particularly in wind energy.

There are tremendous amounts of incentive here for windmills. In fact, I heard Pete Domenici say: In 10 years, you are going to be tired of seeing all the windmills that will be produced from this.

Now, the Federal Government can mandate it and impose it on electrical utility companies, or it can incentivize it by helping these renewable types of energy to be more affordable and more marketable in the marketplace of today. Again, it is the carrot approach, not the stick approach.

We will further improve the environment by establishing tax credits for energy-efficient homes and appliances, and for energy efficiency improvements to existing homes. Expansion of the Energy Star program builds on the success of the collaborative effort between Government and industry to inform consumers about energy-efficient appliances.

Mr. President, hydroelectric facilities in the Pacific Northwest provide almost 60 percent of the region's electricity. That is why I am so supportive of the provisions in this bill that authorize $100 million for increased hydropower production through increased efficiency at existing dams. People worried about global warming ought to be very interested in this provision because hydroelectric power produces abundant electricity without global warming.

The bill also contains important reforms to hydroelectric relicensing laws, allowing for increased production while maintaining existing environmental safeguards.

Our Native-American tribes in Oregon will benefit economically from provisions that promote the development of energy resources on tribal lands and extend the accelerated depreciation benefit for energy-related businesses on Indian reservations. I thank Senator CAMPBELL for his leadership on this important Indian energy title.

The bill also recognizes that not everyone is sharing in the Nation's economic recovery. It is very important that we approve the authorization in this bill of $3.4 billion a year from 2004 to 2006 for the Low Income Housing Assistance Program, known as LIHEAP. It is an important addition to this bill.

Nationally, we have finally established mandatory reliability standards for the electric transmission system, including enforcement mechanisms. This is something the Senate has attempted to do for the past three Congresses. These standards will help avoid future blackouts like those that plunged the east coast into darkness last August 14 or the August 1996 event which paralyzed the Western United States.

Finally, let me turn to the electricity title. This has been an issue of particular importance to my constituents in Oregon and to the West in general. In recent years, Oregon ratepayers have been harmed as a result of market problems that spread from California throughout the West. Most Oregonians have seen their electricity rates increase by around 50 percent in the past 3 years.

FERC's proposal on standard market design, SMD, threatened to raise Oregon's rates even further. As originally proposed, it simply would not have worked in the Northwest, where hydroelectricity is the dominant resource.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SMITH. Might I have another 2 minutes?

Mrs. HUTCHISON. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Eighteen minutes 50 seconds.

Mrs. HUTCHISON. I yield 1 more minute to the Senator from Oregon, and then I will yield up to 8 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH. In short, SMD was bad for the consumers of Oregon, particularly those in rural areas.

Led by the Senate, this Congress has taken the extraordinary step in this bill of blocking FERC from continuing with this rulemaking that would have been so harmful to so many areas of the country.

Unfortunately, the SMD is only part of a FERC vision for restructuring the wholesale electricity industry in a way that puts consumers at risk. FERC appears bent on ''competition at all costs,'' regardless of the costs to consumers, and without justifying the need for its draconian proposals.

We have stopped SMD in this legislation, but other proposals are out there. Even now, utilities in the Northwest are concerned that they will once again be harmed by California's efforts to get FERC approval for new market structures under what is commonly known as MDO2.

We cannot continue to legislate against specific FERC proposals for market design.

I do hope that FERC gets the message we are sending them, however. The goal of Federal policy, which I believe is furthered by this electricity title, is to promote universal access to electricity at affordable prices.

Electricity is too fundamental to our lives, and to this Nation's economic well-being to be subjected to radical experiments, such as the one proposed by SMD.

In closing, Mr. President, I congratulate Senator DOMENICI and Senator GRASSLEY for their leadership in crafting this important legislation.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Mississippi is recognized for 8 minutes.

Mr. LOTT. Mr. President, I appreciate the remarks of the Senator from Oregon and his thoughtful comments about the electricity section. I do think this legislation includes good language in that area that will be fair to all sides of electricity production.

I do believe, as a result of this legislation, we are going to have a better grid. There are incentives to expand the grid where it is needed. In my part of the country, there have been significant investments in the grid already. We have a surplus of power. We are delighted to have more competition. We are delighted to work to have interconnectibility.

But my concern had been that this language, this section, was not written properly, that the Federal Energy Regulatory Commission would have come up with a plan that would have forced ratepayers in my State to pay for additional transmission lines which would not benefit them. So it is a delicate balance.

It has been very hard to work through this with regional differences, with Senators on both sides of the aisle coming at it from a different viewpoint. But through the efforts of Senator DOMENICI and Senator CRAIG THOMAS, and the interest of Senators such as GORDON SMITH and LARRY CRAIG, and the chairman in the House, BILLY TAUZIN, we came up with a good package. I appreciate the efforts of all concerned.

We will hear from the chairman and ranking member about details of this legislation. I am sure they will go into some of the specifics about policy decisions that were made in the electricity section and also give us detailed information about some of the tax policy, the tax incentives that were included in this bill.

I guess there is some sticker shock when we learn that the tax section would actually wind up being some $23.5 billion. But it is a diverse package and one that I do believe will produce more energy in this country.

It has a lot of incentives. Some of them will not produce that much, and I acknowledge that. Some of it I would not have included. Probably two-thirds of it I would not have included. But this is the art of legislating.

So I want to speak to the broader perspective of what we are doing.

We have not passed major energy legislation in the Congress for 10 years. The truth is, we have done very little since 1979, when we were dealing with lines at gas stations and unreliability of supply. Frankly, it has not been getting better over the years. It is getting worse. We are becoming more and more and more reliant on foreign oil for our energy needs—now well over 50 percent, probably headed for 60 percent. This is dangerous. We are relying on Saudi Arabia, Iraq, Venezuela, Nigeria, and other countries such as Canada and Mexico, countries on which it makes me very nervous that we are dependent for their oil to power this country.

This issue is about the future of America. Are we going to continue to be dependent on this foreign oil and, if we are, what will that mean for our economy if they decide to jack up the prices or cut off the supply, or if there is a change of government that produces uncertainty as we have seen to a degree in Venezuela, not to mention Iraq, of course.

That leads to the national security aspects. If we don't have a reliable energy supply, it will affect our ability to power our ships, our planes. I thought it was so ironic last year that we were involved in a direct conflict with Iraq and yet we were winding up relying on Iraqi oil which we brought to the United States, refined, and put in airplanes to bomb Baghdad. This is a dangerous situation.

What is the solution? Produce more energy supply of our own. The whole package, not just oil but, yes, oil. We have a lot of oil in America that is captured in these stripper wells, these small wells. We have natural gas that we could produce more of. What we have done in America is there is no incentive to produce it, and by the way, we have locked up lots of it. You can't drill in most of the Gulf of Mexico, not on the Atlantic or Pacific coasts, not in certain areas in the west. So slowly but surely we have stopped production in America.

This bill will produce some more oil and natural gas. We will be able to have greater use of coal because we are going to put an investment in clean coal technology. We are going to have more hydropower and, yes, more nuclear power. The cleanest power producers are natural gas and nuclear power. Why don't we encourage more of that?

And we have lots of incentives in here for alternative fuels: ethanol, biodiesel, whatever that is. We are going to use biomass, and some of that will be done in my State. I don't think it is going to produce a whole lot. I think it is going to eat up a lot of money. But we will look for alternative fuels, and that is good. So that is part 1: more production.

Some people say we don't need more production; we can conserve ourselves into an energy policy. How ridiculous can you get. What are we going to do, go back to just burning coal in the fireplaces? I used to have to bring in a scuttle of coal every morning before I went to school, and I didn't like it. It was cold to bring in the coal, and it was dirty burning. I never liked it. Well, what are we going to do? Just produce more blankets. They would probably be sent to us from China.

Let's get real. In conservation, yes, give incentives to people to better insulate their homes and to maybe buy more fuel-efficient and better appliances that don't create pollution. Let's include that. More production: let's go after alternative fuels. Let's have conservation. Let's have the whole package.

What will be the result? America will be more secure. Our economy will be stronger because this bill will produce jobs. You may say, well, they are not real jobs or maybe they are temporary jobs. A job is a job where I come from. Where I come from, if you want to eat and live and do well, you have to find a job. You take what you can get. This will produce over 800,000 jobs. This is a jobs bill.

It is about the future reliability of our economy, about the future of our national security, and it is about jobs, which will help our economy.

It is also about ensuring clean, affordable, and reliable energy—the whole package. I think we have good legislation here. We do have incentives in it for ventures such as geothermal energy. That will bring a renewable energy online, could create a few hundred jobs. We also are going to put a real emphasis on clean coal technology. We have an abundant supply of coal, and we are developing the technology to be able to use it, burn it, and in a clean way.

I commend my colleagues for producing this bill. It is like every legislative piece. It has a few warts on it. If you are expecting the perfect, this is not it. But we need to do this. We have been arguing about it for 3 or 4 years. The things that held us back in the past we did set aside. Now we are going to be able to get this legislation.

When you look back on this year, there is going to be a lot the Senate can take credit for having made a difference in the country—the tax bill, the partial-birth abortion legislation, energy legislation, and transportation bills.

I am glad we have this legislation. I urge my colleagues to support it. It will make a difference for the future.

I thank Senator HUTCHISON of Texas for putting together this opportunity for us to speak.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I appreciate the remarks of the Senator from Mississippi. He was on the conference committee. He worked hard, knows how hard the compromises were. I appreciate his leadership because we can't depend on foreign countries for 60 percent of our energy needs and have a stable economy and keep the jobs we have and create more jobs for our recovery. I thank the Senator from Mississippi and the Senator from Oregon. The Senator from Oregon also has been a leader in this field. I appreciate so much his remarks and his leadership in this area.

I ask how much time remains in morning business?

The PRESIDING OFFICER. Eight minutes ten seconds.

Mrs. HUTCHISON. I yield the remainder of our time to the Senator from Pennsylvania, Mr. SANTORUM.

MEDICARE REFORM

Mr. SANTORUM. Mr. President, I thank the Senator from Texas and thank colleagues for their remarks this morning. I rise to talk about the Medicare prescription drug bill that is still being worked out. I think it needs to be stated that this is still a process. We have an agreement in principle, but there are still issues having to do with how much the bill will cost and whether it is going to be within the $400 billion framework that has been laid out by both Houses of Congress and by the President. They are still working through that.

As a result, there will be some changes, probably, over the next 24 to 48 hours as to what this bill is going to look like in particular. But we do have a sense of what the broad outlines are. I have to tell you in all honesty, it is like any piece of legislation. There are some things that I really like, and there are some things that are good and I am in favor of. There are some things I don't like, and there are some things that I just darn well wish were not in the bill.

The question is, How do you come out? That is a decision that every one of us is going to have to make on both sides of the aisle, because there are things I am sure every Member in this Chamber can look at and say: This is a good thing. The problem is, for about half of us who say it is a good thing, the other half will say it is a bad thing. But that is the nature of compromise. You try to come together to work out an overall package that is going to be beneficial to seniors, beneficial to taxpayers, and beneficial to the Medicare system over the long haul.

That is what I want to talk about today. I think on balance this is a bill that achieves that.

Let me lay out sort of my thoughts. No. 1, I am concerned with the overall Medicare system, the long-term health of that system. I think in part that is dependent upon the private sector system of this country upon which Medicare was built.

You have to remember, Medicare was built on a 1965 Blue Cross plan. That was a private sector plan. The reason we are doing Medicare prescription drugs is because the private sector has been offering that for some time. So Medicare tends to follow what the private sector does.

The question is, What is the private sector doing now? They are doing a lot of managed care, HMOs, PPOs, and other things insurance companies are trying to do to try to get costs under control, to increase quality and efficiency.

Well, what are we trying to do with reforming the Medicare system? We are trying to put PPOs into Medicare. We already have some HMOs there. We are trying to expand that. What we are trying to do here is to conform Medicare to sort of a current state of play, as it was in 1965, and we are trying to conform it to what is working best in the private sector today. So that is one of the objectives we are trying to accomplish.

This is my problem. I don't think, necessarily, that the current private sector—just as in 1965—is necessarily the most efficient way to run a health care system. I think there are fundamental underlying problems in the health care system that we are paying the costs for today. That is why our health care costs continue to go up. I think the fundamental problem is that people are not paying for their health care. When I say that, it is not that people are not paying for it through insurance. They are, and their premiums and copayments are going up to some degree.

The overall cost for employers is going up, no question. One of the reasons the cost is going up is that utilization is going up, is that people's out-of-pocket expenditures don't conform to the benefit they are getting. In other words, they are paying $2 for $10 worth of service. As long as you are paying $2 out of pocket for a $10 benefit, you are probably going to continue to consume that benefit, disproportionate to other activities where you put $2 out of pocket and get $2 of benefit. We have to change that dynamic in health care, while maintaining insurance for people who need that coverage.

The way this bill does that is just crucial. One of the reasons I am very excited about the bill is it puts in a provision called health savings accounts, which sets up a system in the private sector—it is not a Medicare provision but it is in the Medicare bill—it sets up a private sector reform to allow people to set up accounts so they can take more responsibility and more control over their health care expenditures. In a sense, by living healthier lives, by doing preventive care, doing all the things to maintain good health, they can actually save money and—this is the kicker—keep it. The insurance company doesn't benefit if you stay well and do the good things and you don't end up in hospitals or having surgeries. You benefit.

So we are fundamentally changing the dynamic at the private sector, pre-Medicare level. Why is that important? If this is successful—and I believe it will be—it becomes a building block for future reform of Medicare, because once the employee population with private sector insurance, pre-Medicare, becomes used to and comfortable with this kind of program, they will be demanding it when we get to Medicare.

It will infuse in Medicare what I believe is ultimately necessary, which is more individual control and responsibility for their health expenditures. So I argue that of all the things done, interestingly enough, in this Medicare bill, the most important thing I think we do, as a conservative, as somebody who believes in giving people more power and giving individuals more control, more choices, the most important thing we do in the Medicare bill isn't in Medicare but it is going to be a dramatic impact on it when the baby boomers retire and the costs go out of control.

I make the argument—and we can get into the details of the Medicare bill—from the standpoint of a Republican conservative and to conservatives across this country, what we are doing with the reform in health savings accounts—they used to be referred to as medical savings accounts—is probably the most important, I argue, for the long-term future of Medicare because, as I said before, Medicare reform follows private sector reform. When the private sector changes, eventually Medicare will change to reflect that because that is what the public will want and demand.

Within the Medicare system, we do put some reforms into place that are important. We have the reforms to Medicare Part B. We do put a Medicare drug bill in. Some people are saying: Well, as a conservative Republican, why do you want to put in a $400 billion new entitlement?

The fact is, we have a health care system that doesn't cover health care

expenses. If we have a health insurance system that doesn't cover 50 percent or, in some cases, more than 50 percent of the actual costs most people consume in health care expenditures, what kind of health care system is it, as far as insurance is concerned? It is not a very good one.

Again, some Republicans are saying, well, we should be doing what the market is doing. Well, what the market did was cover drug costs. For us not to do that—I think it is a little disingenuous to make the argument that we should not take on this liability. I agree we need to have reforms and control costs, but we need to take on this responsibility because it is part and parcel of good quality health care in America today.

The PRESIDING OFFICER. All time has expired.

Mr. SANTORUM. I thank the Chair.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

The majority leader is recognized.

Mr. FRIST. Mr. President, first, I very much appreciate our colleagues talking on two very important issues this morning in morning business. In a very productive way, it highlights the issues that we will continue to debate and discuss over the next several days.

As I mentioned earlier this morning, the plans are to address the issues of the Energy bill, as well as the Medicare bill, as well as the appropriations bills, over the next several days and bring them to the floor as soon as possible, as soon as they are ready, so we can proceed with this debate in an orderly fashion.

As I mentioned earlier this morning, the plans will be to work through this week and through the weekend and, hopefully, that will be it. Possibly, we might go into the early part of next week.

ENERGY POLICY ACT OF 2003—CONFERENCE REPORT

Mr. FRIST. Mr. President, at this point, I move to proceed to the conference report to accompany H.R. 6, the Energy Policy Act.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6), to enhance energy conservation and research and development, to provide for security and diversity in the energy supply for the American people, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same, with an amendment, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

(The text of the conference report is printed in the proceedings of the House in the RECORD of November 17, 2003.)

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, I want to first say to the Senate, a little over a year ago the Senate changed committees and I had the luxury of moving from the Budget Committee to the Energy Committee—perhaps not a luxury in everyone's sense but from my standpoint it was, indeed, a great opportunity and a tremendous change for me. I took that opportunity with a great deal of relish and enthusiasm and decided I would do the very best I could to produce an energy policy, broad based, for this country.

The House agreed on that conference report yesterday by an overwhelming vote. That means that one body has looked at that conference report and, with bipartisan support, said this is a good policy for the United States to follow in the future, and it will do good things for our people and for our growth and development.

The United States of America spends annually $440 billion, roughly—and that is on the low side—on energy. That energy is the underpinning of our economy and is a principal component of our quality of life. For most Americans, the complex system of energy production and distribution is something they take for granted. When they turn on the lights every morning, they give absolutely no thought to the turbines powered by coal, gas, oil, hydropower, or nuclear power spinning around to produce that electricity. Only during hurricanes or blackouts are they reminded of how complex the system of transmission lines is that brings that power to their homes and to their businesses sometimes across many States.

Americans almost never give a thought to the fact that beyond the complex physical system that produces and generates our energy is a massively complex system of rules and regulations. These rules and regulations govern, one, who pays for power and who pays for the powerplants and transmission lines; two, how the emission from the plants is regulated; three, who can own them; four, how the fuels can be shipped; and five, what costs can be charged and to whom.

Some of my colleagues are critical of this legislation. Who would not expect that to be? This bill is put together by the House and the Senate, each with different ideas about what they think is the best way to solve our problems, if we can. Clearly, each body has strong feelings about certain issues that they match up when we attempt to move ahead in some positive direction.

Some will get up here in the next couple of days and argue about some of the provisions in this bill. I say right now to the Senate and to the American people, some of the provisions that will be argued I agree with. Some of the provisions I don't agree with; that is, some that people suggest should be changed in this bill. But I remind everyone that we didn't get to this point without giving and taking, without putting and taking back, without arguing one way and then not winning it and having to go the other way. I suggest that everybody in this body knows—and if they don't right now, they will soon—that across this land there are millions of farmers, who farm all kinds of products, who are either up here on the Hill or on the telephones talking about passing this bill because it has a giant provision to convert corn and related products of our country over time to ethanol which will, in turn, be used in our automobiles in lieu of gasoline that comes from crude oil.

We in the Senate, I say to my good friend, were led in those negotiations for ethanol by the distinguished Senator from Iowa, Mr. GRASSLEY. He has been a staunch advocate, along with the minority leader, Senator DASCHLE, for a major American ethanol program. I can tell my colleagues that in negotiating with the House, they weren't as excited about the program, the project, or the size as we were under the leadership of Senator GRASSLEY. So to get what we wanted, we had to ask them what they wanted. They didn't wait around for us to ask. That is sort of a way of saying it. They told us what they needed. In other words, they said: You want that, we want something.

I will tell my colleagues shortly of the numerous provisions they wanted that are in this bill that brought us forth today with the most significant program for farmers and the production of ethanol to take the place of crude oil that we have ever had in this country.

Let me proceed with my original thoughts and then move over to the subject matter which has brought a number of people into a state of opposition to this bill. Let me complete a few thoughts.

The Congressional Budget Office estimates that this bill will cost $26 billion over 10 years. Some people have much bigger numbers, but what they are talking about in those numbers is not where we have obligated the expenditure of funds. They are authorized. They are to be funded, if ever, later. They are statements of policy, but not statements of policy accompanied by programs that must be paid for.

What I am talking about is $26 billion that has to do with the taxes that are included in this bill. That averages $2.6 billion a year. People can talk about

how much we are spending and who we are giving it to, and I remind them one more time, America at work, day by day, spends about $440 billion annually on electricity. We, who were charged in our committee with making things better for the future, said let's have some production tax credits and the like to bring on more energy and cause more alternatives. If we took that number of $2.6 billion per year on average, and then figure that up against $440 billion a year, it would seem to me that some might say: You didn't do enough; you can't move this system with that little tiny bit of money.

I will, before we are finished, calculate this over 10 years. I will take $440 billion times 10 and then the little bit we are spending, and the number will then be such a tiny number that people will wonder whether we can really get much done. I think we can.

In exchange for that investment of about one-half of 1 percent, in summary, for there is time to go into detail, we will diversify our resources of electricity to build new, clean coal-burning powerplants, solar facilities, relicense our hydropower, and build new geothermal plants and, yes, perhaps build some nuclear powerplants.

For the same one-half of 1 percent, we will impose mandatory reliability standards on our transmission systems to ensure that blackouts, such as the one in August, will not occur again.

This legislation will also streamline the permitting process for oil and gas production on Federal lands. I want to be clear that this legislation does not change the standards. We are not reducing the requirements to produce energy on Federal properties, but we require Federal agencies to coordinate so that the regulatory process is more straightforward. I would think anybody would expect that of us in these days when we have shortages and when we have resources of our own.

This bill did not shy away from controversy. Some of the most difficult issues we faced were the regional differences on how to regulate electricity generation and transmission. This Nation is divided on the issue. If they are not divided, it is because they don't know the issue. But if they knew the issue, they would be divided, and that is unavoidable.

As I have said before, if I could have written four different laws, cutting our country into four pieces, we could have provided each region of the country its own set of laws. But we cannot do that.

There is one America, not four. We were asked to write a reform of the Federal Power Act for the whole country. So without the luxury of doing it in pieces, we think we have achieved a fair middle ground.

In exchange for compromise, all market participants can now conduct their business understanding what rules and regulations will be applicable. I believe that certainty will allow new capital to enter the electricity transmission business and encourage new construction and thereby create a more reliable transmission grid.

In some cases, I wish we could have done more. I think it is known that I support the opening of ANWR. I wish we could have had it in here, but we know the bill could not have passed with it. In addition, I wish we could have inventoried the resources of the Outer Continental Shelf, just to know what we own, but the House would not hear of that either. However, to the extent possible, the conference report avoids those two issues and issues of that type.

There are some issues this conference report contains that concern my colleagues, and I have heard much about them already. I want to take a visit to one of those.

First, there is an issue that is called MTBE. Those provisions were not in the Senate bill but the House was adamant about the provision. Similarly, the House insisted on an amendment called the bump-up provision. They made a case and then they voted again on that case on the floor of the House and repeated their support of it overwhelmingly. In due course, if we want a discussion of it, we can have it.

While these provisions are controversial, I am convinced the policy behind them is sound, and I will discuss them in detail as we debate each provision.

This bill is not just about producing energy. To the extent we can, we try to save energy. Some wish we could have done something more radical, such as imposing very high CAFE standards for automobiles. That continues to come up when we are asked how much gasoline are we going to save and how much oil will we import, how much will that be reduced.

I say, we will do whatever the Senate and/or the House would vote for, and everybody knows they will not vote for changes in the existing law with reference to automobiles. That is not a question of copping out, it is a question of taking the vote and finding there are not the votes.

So for those who would like to say we should have done something in that area, I think it is fair to say they either know something none of us knows about—they have a secret weapon to get the votes—or they are just making a statement to make this effort look less effective.

We know neither the House nor the Senate has the will to modify the CAFE standards to any significant degree. We have done everything else we could do short of that. I am a pragmatist, but I believe this bill will indicate we will go only so far and then we have to draw a line and say that is as far as we will go.

We did what was politically feasible. We increase efficiency standards for appliances, Federal buildings, and we provide tax incentives to use fuel-efficient cars and to build energy-efficient buildings. Many of these are not new and have been espoused by others before me as part of an energy program, including many of them by Senator BINGAMAN heretofore.

This bill is an investment. It will pay off in affordable, reliable energy that will underpin our economy. It will pay through savings we are going to enjoy from increased energy efficiency, and this bill is one-half of 1 percent investment in our economy and our future. I think it is worth it. There is no doubt in my mind that if we do this, the country will be much safer, much better off in the years to come. After all, if one takes on a job such as this, they can end up saying they at least have done that. Much more cannot be asked for.

I wish to comment on MTBE. MTBE was a product authorized by the United States of America years ago to be used in the process of oxidation in this country. It was an acceptable product to be used in a regulated manner. Many companies did that. Some companies did not use it correctly and may have violated rules, may have been negligent, may have thrown it around, may have spilled it where it should not be, but the House had in mind—and we had no alternative but to agree in order to get the rest of this bill—that for those companies that produced a valid, legal product and used it validly and legally, they should not be liable if there are damages that are forthcoming.

I might say to the Chair and all Senators, the same thing is going to apply to ethanol.

Now, going back to MTBE, it is a prescribed product. The U.S. Government prescribed it and authorized it. This bill says if it is used improperly, the companies are liable. If it is used properly, this says lawsuits do not lie for damages.

I have heard many Senators come to the floor and abhor lawsuits that seek damages from companies for products they produced that were legal and valid but some damage occurred to somebody through no fault of the product, of the production of the product or its proper use. I have heard Senators on my side of the aisle say it is time we stop those kinds of suits; those are lawyers just trying to attack, sue, and gain big settlements. In this case, we decided that for using the product improperly, lawsuits can maintain; for using it properly, lawsuits cannot be maintained.

I am very sorry there are Senators in this room whose States either were or are ready to file lawsuits claiming damages. There is surely nothing new about that, for I am sure, just as sure as I am standing here, that if this does not become law, there will be hundreds of them filed across this land. I do not think they are justified under the theory I have expressed and the theory the House expressed to us. Nonetheless, it is probably one of the most contentious issues in this bill.

I suggest that it seems to this Senator we ought to look at the overall bill. The overall bill—I cannot do justice to it in 8 minutes, but I can tell

you one more time, in summary—will make America stronger, will minimize our dependence upon foreign products, in particular should make us less and less dependent upon the potential of foreign natural gas being needed in this great economy. We are moving rapidly in that direction.

The last 15 powerplants in America were built with natural gas. If we build 15 or 20 more, just as certain as I am standing here, we will be importing gas from overseas. So we will just get out of the muddle of importing crude oil and we will have sat by and watched ourselves get back into the middle of importing natural gas.

We have done everything we can, that we could come up with, that we could understand, that we could be informed on, that says America is going to produce as much natural gas as possible. As a matter of fact, things indeed could work out under this bill where Alaska—not ANWR but Alaska—could be selling natural gas to the lower 48 in large quantities.

We have given some tax credits to companies that would do that. We are all hopeful that before too much time passes they will agree to get started.

In addition, we have said there is a great deal of natural gas that lies off the shores of America in valid, not prohibited areas, very deep. We have said: Why isn't it getting produced? It is gas; we can use it; it is ours.

The issue was it was too expensive. We chose in this bill to do what everybody on this conference overwhelmingly supported and that was to substantially reduce the royalty payments so as to make that abundant natural gas available. We believe with the passage of this bill they will be out there drilling for that, adding it to America's reserves, quickly.

There are many more issues like that. I regret we could not produce a bill that would alter the current makeup of the use of fuel in America to produce energy and electricity without some stimulating and some production tax credits that would go to the industries that were not currently involved in producing energy for the American mix.

Incidentally, in that regard, we produced a tax credit for wind and solar energy the likes of which will yield wind energy for America in abundance. I ran into a gentleman yesterday whose company produces windmills and wind energy for America. He thanked me for this bill. I don't know him. I didn't know him. I met him right there. He said he was visiting with a few Senators just to make sure they understood that with this bill wind and solar energy will continue as they are but will strive to move ahead exponentially.

He said: I currently produce more wind energy than anyone, and we will be able to double and triple it with this bill because there is a good credit that is going to continue under this bill.

Incidentally, for those who want that, you should know if this bill doesn't pass, that tax credit is gone. You can wish all you want about wind energy, if that is what you like, but by not passing this bill you will have wished that away. It will not be part of any mix for the future.

In my judgment, when you add up all those pluses and you take all the negatives that are going to be spoken of here, you have a bill that deserves the U.S. Senate follow suit with the House and approve this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Parliamentary inquiry: I have not been able to locate this bill. I understand under rule XI the bill should be printed. I understand it may be printed in the House calendar, but I am interested to know whether or not printing in the House Journal represents having the bill before the Senate.

The PRESIDING OFFICER. I have been informed that the bill is printed in the CONGRESSIONAL RECORD.

Mr. GREGG. Does that qualify as having the bill before the Senate for purposes of debate?

The PRESIDING OFFICER. Yes, it does.

Mr. GREGG. I thank the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I thank Senator BINGAMAN for a chance to talk for a few minutes now. He has done a tremendous job in terms of advocating so many issues vital to the public, and I thank him for his thoughtfulness letting me begin this debate.

Throughout this discussion, we have been told this legislation should not be looked at in terms of any particular provision, but it should be evaluated on its overall merit. We heard that yesterday. We heard that again today.

We have been told that a conference report, particularly, is part of a give-and-take kind of discussion among various legislators and the various parties. Let me be real clear on that. If we are using the give-and-take measure as a barometer of evaluating an Energy bill, it ought to be clear that on this one, it is the public that is giving, and the powerful and the influential are taking a whole package of goodies.

In my view, if you look at this legislation and its provisions that in effect begin with the ''get out of jail free'' card that is given to the MTBE producers, and you go on to this grab bag of tax goodies that are given to powerful interests, on every measure this overall legislation breaches the fundamental principles of good energy policy.

Let me begin by talking about how it would affect our dependence on foreign oil. I believe reducing America's dependence on foreign oil is the dipstick for measuring an Energy bill. By that measure, this legislation is more than several quarts low. Thirty years ago the people of this country waited in long lines to fill up their tanks. They dreamed then of the day when the United States would no longer be dependent on foreign oil. Our citizens were asked to hold their thermostats down, and they said: What is going to be done to make this country and our electric supply less dependent on fossil fuels?

We all understand our dependence on foreign oil has increased. Fossil fuels still provide more than 85 percent of all the energy produced in the United States. If you look at this legislation, what it does is it gives, on a virtual 5 to 1 ratio, most of the tax relief to those powerful interests that, in my view, have contributed mightily to the mess that our country is in.

What is needed, of course, is a bold and aggressive approach in terms of clean and renewable energy. That is regrettably sorely lacking in this legislation.

So the Senate is aware exactly of the numbers: Renewable energy in this legislation gets about $3.4 billion over the next 10 years. The combined credits for those involved in fossil fuels comes to well over $15 billion.

I am of the view that when you look at this legislation and the fact that it does virtually nothing in terms of the key areas like transportation to promote conservation and help us find a way to a different energy future. This legislation simply does not meet the need at this time for a fresh approach in energy.

What is so unfortunate about it is, I believe, a new approach on energy is just about the most patriotic thing our country could do. We all understand the role of oil and energy dependence with respect to global security. Yet this legislation is basically a tribute to yesteryear, a hodgepodge of subsidies for the well connected, and these huge energy conglomerates basically would get additional funds for what they are already doing.

We tried over the last couple of days to amend the legislation. On all of the pro-consumer amendments, they were just gunned down almost in a perfunctory manner. The American people were given 2 days to scan 1,100 pages, more than 40 percent of which by some estimates was brand new text that was not in either the House or the Senate bill. Essentially, we have 500 pages of brand new text that had not been seen by either the Senate or the House.

For purposes of this opening discussion, let me talk about some of the areas about which I am particularly concerned.

The people of my part of the country were shellacked by the Enron scams. One of our major utilities used up hundreds of thousands of dollars of scores of workers' retirement accounts. Now these workers have virtually nothing as a result of Enron. The conference report did virtually nothing to deal with the market manipulation that went on in the Enron case—all of the smoking gun memos we read about in the papers for days involving Death Star, the Ricochet tactics that were used to drive

up market prices, the energy traders who used schemes such as Get Shorty or use a Fat Boy to manipulate energy markets with impunity.

What this legislation does, in effect, is say we will ban just one of the manipulative practices used in Enron but for everything else you have free rein to manipulate the American consumer. It is sort of like building a 4-inch dam across our mighty Columbia; you stop one relatively small practice, but it is going to be drowned out by all the other manipulative schemes.

In my view, this legislation is an open invitation to future Enrons.

With respect to other priorities about which we felt strongly, I tried, for example, to prevent the weakening of current export controls on highly enriched uranium. It seems astounding that at a time when President Bush correctly talked about how important it is to fight terrorism—and we have all been concerned about yellowcake.

I sit on the Intelligence Committee. Of course, I can't get into what is discussed there. But I don't think anybody in the United States doubts the seriousness of the terrorist threat around the world. Controls in current law are intended to end the dependence of foreign companies on nuclear-bomb-grade materials, but the conference report, incredible as it may seem, goes in just the opposite direction and is going to make it easier for terrorists to traffic in these nuclear-bomb-grade materials.

The conference report would give foreign producers a fresh 9-year holiday on converting highly enriched uranium into the much safer low-enriched uranium, a conversion, in my view, that should have happened years ago. I fought in the conference to keep in place the current export controls on highly enriched uranium. I believe had my amendment passed, it would have empowered President Bush to be able to fulfill his goal of keeping nuclear materials out of the hands of terrorists. Unfortunately, this too went down on strictly party lines.

There are other areas with respect to pro-consumer amendments I thought were important which I will discuss briefly.

Many of our parts of the country have been subjected to price spikes in the gasoline market. We saw last summer that many consumers were spending more than $2 a gallon for gas. In parts of the Southwest, it was up to $4 per gallon for gas.

I sought to give the Federal Trade Commission authority to go after documented anti-consumer practices such as redlining and zone pricing. At present, every time there is a price spike, Secretary of Energy Spencer Abraham most recently put out various kinds of press releases saying they are doing an inquiry into why gasoline prices have spiked up. Just as sure as the night follows the day, the next time there is a price spike we will hear the very same thing from the Secretary of Energy.

The fact is when you look at the statutes on the books, you will find that the Secretary of Energy has absolutely no authority to do anything with respect to skyrocketing gasoline prices.

What I have sought to do in the conference and over the last few months is give the Federal Trade Commission the authority to go after documented anti-competitive practices in markets where you basically have three or possibly four of the oil companies controlling more than 60 percent of the gas that is sold in this area.

Many Members of the Senate represent just those communities—communities where in effect you have seen the competitive marketplace forces sucked right out of the gasoline markets in their communities. Unfortunately, that too was rejected on a straight party line vote.

In addition, I offered an amendment to create an advocate for the energy consumer. I believed that if you were going to have a whole passel of deregulation and regulatory changes, somebody ought to have the authority to stand up for the consumer. The great majority of our States do exactly that. We all understand that the energy markets have changed. Now there is much more being done in terms of interstate trading of energy, and there is nothing the States could do to go after abuses in the interstate trading of wholesale power.

In the conference, I offered an amendment. I made it clear I was willing to work with both Republican chairs, Senator DOMENICI and Congressman TAUZIN, on it. Yet that went nowhere as well despite bipartisan support.

Pat Wood, head of the Federal Energy Regulatory Commission, thought it was ''a great idea'' to have an advocate—those are his words, not mine—for the consumer. Regrettably, that idea went nowhere as well.

I have talked about what the conference report doesn't do. I want to talk for a few minutes about what it does do. It gives, for example, oil and gas extractors a blanket exemption under the Safe Drinking Water Act from pumping noxious and carcinogenic fluids underground. It gives energy producers immunity from Clean Water Act protection to present contaminated storm water runoff from polluting our lakes, streams, and marshes. It gives $30 million to a whole host of mining interests to pursue direct leaching of radioactive mine tailings into the ground.

In other words, the conference report either explicitly allows or it pays to create America's future Superfund sites.

I have talked about the get-out-of-jail-free card for the MTBE producers. This in effect would allow these producers protection from lawsuits that forced them to clean up the problem they created.

In our State, even Republicans in the State legislature are concerned about not only losing the ability to fund MTBE cleanup in Oregon but they are concerned about the precedent it sets for future cleanup of various other dangerous materials such as perchlorate and TCE.

I think this is part of what concerns me the most. I have always believed that anything important in this town has to be done on a bipartisan basis. It is probably the concern I have that has dominated my career in public service. I think we had an opportunity for a bipartisan bill in this area. As I have been able to do in my home State with our colleague, Senator SMITH, I think there was an opportunity for common ground on a whole host of key kinds of cases that would have laid out a vision for a very different energy future. But essentially what you had for weeks and weeks was a blackout. You had energy blackouts last summer with respect to this legislation. Senator BINGAMAN and I and others who were in the conference faced an information blackout. Any time you go behind closed doors, any time you do something along the lines of a conference in secret, it is an invitation to special interests to exploit their clout and their influence. That is exactly what has happened here.

I will outline one other provision. I know colleagues are waiting, and I am particularly grateful to Senator BINGAMAN for this chance to take a few minutes at the outset of the debate and touch on the proposal with respect to standard market design.

In our part of the world, in my home state, we have the highest unemployment rate in the country. Reasonable energy prices have been a key to our well-being. What we have now in this legislation is a glidepath to set up something called standard market design, a one-size-fits-all approach with respect to energy regulation.

I come to that view because there are two provisions in the report and they are essentially contradictory in nature. The first part of the conference report says you cannot engage in a standard market design regulatory regime in effect until 2007. The second part says it is basically OK for FERC to do anything they want. At a minimum, we have a lawyer's full employment program as a result of this regulatory limbo. But what is more likely to happen, because of the power of the interests that want the standard market design, they are going to exploit the regulatory confusion in this legislation to work their will.

On September 30th I received a letter from a Republican FERC commissioner, Joseph Kelliher, in which he explicitly told me that standard market design is a bad idea for Oregon, a bad idea for the Pacific Northwest, and should not be implemented in our region.

I say to the people of my State and my region, I am still going to fight this with everything I have.

Finally, at a time when our country can be held hostage by oil-producing

nations, we had a chance to go forward with legislation that would make us truly energy independent. At a time when cutting-edge renewable resources are at our fingertips, what this conference report does is it lets these exciting technologies slip through our fingers. At a time when the people of our country have been clamoring for a fresh approach, a different energy future, this conference report looks at energy policy through the rearview mirror. I hope my colleagues will reject this conference report and look forward over the rest of this day and perhaps others to talk about it at some length.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I rise to raise my serious concerns with this piece of legislation. I appreciate the excellent statement of the Senator from Oregon which touched on a number of the issues this legislation raises.

The purpose of an energy policy should be, obviously, to make our Nation more independent of international fuels, to allow energy to be more readily available, and allow more productivity in our society as a result of having energy at a reasonable cost.

There are a number of ways to approach this. Any energy policy should be balanced. First, it forces conservation. Any energy policy should significantly encourage Americans, and Americans in business especially, to use appropriate conservation which does not undermine lifestyle dramatically and does not undermine efficiency but, rather, improves efficiency in order to reduce the amount of energy used.

Second, after conservation, we should use energy products which are renewable, things we can use over and over or at least produce over and over and as a result not be so dependent on international sources of oil.

Third, of course, is production. We should increase production, especially production within the United States or within regions which the United States has a relationship which is more positive and constructive than the Middle East and other areas of significant international attention.

Good energy policy requires those three elements. However, the bill before the Senate does not accomplish that. It does have some conservation. It does have some renewable language and it does, obviously, have some production language but on balance it does not have any of those at a level of intensity or effort, at least in a constructive way, that outweighs what is basically a grab bag of special interest projects directed at benefiting one segment of the economy or one segment of the population at the expense of other segments of the population.

There are a lot of examples of this. The most significant is the overall cost of the bill. This bill was suppose to have $8 billion of tax credits in it and it is up to $25 billion. That difference between $8 billion and $25 billion is almost entirely filled not by a broad approach to energy policy but by very targeted, very specific programmatic initiatives directed at certain interest groups in order to give them benefits to pervert the marketplace, to basically say: Here is a winner; everyone else is a loser.

The most classic example is the ethanol package which makes up one of the biggest initiatives in this bill. It is hard to figure out how much subsidy is in this bill for ethanol but it is huge. We know there is at least $5.9 billion, which is double the present subsidy, and we know on top of that there is probably $2.5 billion of tax credit. That is probably not all, and as people review this bill, we will find it is even more obscene than that. This is more a product which cannot stand on its own, a product which essentially has been brought to the marketplace because it has been subsidized at such a high level and because it is now, by law, required to be used, it therefore becomes viable. It does not become viable because it can compete in the marketplace—even with lower subsidies.

Some modicum of subsidy might make sense but to basically take a product and say, we essentially are going to pay more for it than it probably costs to produce and we are going to require that it then be used, is hardly a subsidy. It is basically, to be honest, a socialistic approach to managing an economy. The ''pick a winner'' and decide that winner, whether it works or not, will be paid for, and then you subsidize it at an extraordinary level.

There are, of course, a variety of different projects in here which are essentially projects in home States, projects of people who are friends of somebody, projects of people who happen to be able to get into that room that the Senator from Oregon mentioned was closed to most Members.

We have the advance reactor hydrogen cogeneration project for $1.1 billion. This appears to be not only for building of the plant but for the operating of the plant, which is an incredible concept. First, the taxpayers will pay to build this plant and then the taxpayers are going to pay to operate the plant. I am wondering what the purpose of the plant could be that has any commercial interests at all and the taxpayers are picking up $1.1 billion for construction and building costs.

We have $2 billion to pay for companies to assist them in phasing out MTBE, which is something I will get back to, but there is an irony in that because, of course, the bill limits the liability of those customers and then it pays out the program.

We have authorized loan guarantees for using certain types of coal that come from the Midwest and to build a plant in the Midwest which does not even exist. Basically, we are going to say, there will be a plant out there somewhere and we will put this money into it to build it. We do not know where the plant will be. We suspect it will be in North Dakota. It is a new concept in taking care of one's constituency to essentially create a plant somewhere in theory. It is a virtual plant that we are going to spend all this money on, and I guess in today's world of virtual reality it is probably appropriate that this bill have some virtual things in it because it does not have much else because the rest of the bill is equally unsubstantive.

As to the abandoned mines provision in this bill, we are essentially going to take an account which was supposed to help in cleaning up the mines which were used in the West, and we are going to take the money out of that account and we will redirect it so, basically, none of those dollars will flow into the cleanup which they are allegedly being raised for.

We have a proposal to build some sort of green shopping centers, whatever those are. That is a great concept. I always wanted to build a green shopping center. I like blue, purple, yellow. Why did we leave those colors out? We are gone to build a green shopping mall in Shreveport, LA. We are going to build a green shopping center in Atlanta. We are going to build a green shopping mall in Syracuse. And the taxpayers are going to pay for that.

Building shopping centers is a new concept for energy, for having a national energy policy.

We will spend a lot of time on this over the next week as we debate this bill, because it will take at least a week to do this bill. The most significant detriment in this bill is the fact that it is essentially structured to benefit one region of the country significantly over another region of the country.

It is almost a gratuitous attack on the Northeast from the standpoint of the way it has been put together. The most glaring example of that is the way this MTBE issue is handled.

MTBE is an additive put in gasoline. It was decided by the EPA, in the early 1990s, that this additive should be put in gasoline to make it oxidate faster, thus getting cleaner burning gasoline and reducing air pollution.

It turns out one of the unintended consequences of this legitimate desire to make gasoline burn faster is it is an incredible pollutant, an extremely difficult pollutant to deal with if it gets in the groundwater.

So States which were put under the authority of the EPA to clean their air, and which were then required, in order to accomplish this, to essentially use this additive, now find that although their air may be marginally cleaner, their groundwater is dramatically more polluted.

If you have ever been in a house—and I have been in a number of them—that has an MTBE pollution issue, it is essentially unlivable. You cannot use the shower, you cannot use the sinks, the smell is just overwhelming, and the

water cannot be drunk. It cannot be put on your body to clean. It is a horrific situation.

People in community after community in my State—small communities, cul-de-sacs, groups of homes—have found they are basically unable to live in those houses until the water system has been fundamentally repaired. Sometimes you have to bring in new water because they are on wells in order to address the pollution coming from MTBE.

Thirty-three percent of one of my counties has a serious problem of MTBE pollution, and the percentages are in the midteens and higher in other towns, counties. So it is a serious environmental hazard.

Yet this bill says we will continue to use it and States that are under these orders will have to continue to use it for another period of years, increasing the amount of pollution.

Then this bill does one more thing that is really—I already used this term once, so I hate to use it again, but really is a gratuitous shot. It says States which have pursued a legal remedy for the damage caused by MTBE will no longer be able to pursue those lawsuits.

This bill—because somebody got in that room the Senator from Oregon was talking about got somebody's ear—has language in it which specifically goes back before the lawsuits were brought by some of the New England States and eliminates the ability of those suits to go forward.

Now, when I was in law school that would be called an ex post facto law and would be subject to some significant debate. However, obviously, the people who drafted this have figured out a way around that ex post facto attack, and they figure they are going to survive this attack and, therefore, they are going to eliminate the capacity of States such as New Hampshire to try to get redress on the issue of the fact that in some counties, up to 33 percent of the water is not usable because of the MTBE pollution.

It is a truly ironic situation that this has happened, that a bill proposed to reduce our reliance on energy would have innumerable special initiatives in it that have no relationship to actually increasing energy production but actually perverts the marketplace, and, on top of that, would take a policy which is being debated in the court system between the States and the producers and essentially wipes that policy, which is in an environmental fight, off the books in an attempt to protect those industries which produce this product.

We heard the Senator from New Mexico defend the position on the grounds that—I believe he used the term—I have it right here; I wrote it down because it is a unique term.

Well, I guess I can't find it right now. Anyway, it was a term that I found interesting because it basically implied that well, really, States should not be able to bring these lawsuits. These people should just have to have this groundwater pollution. And, what the heck, why not do it? Why not protect these companies from that sort of pollution forever?

Well, I think you do not protect them because, as a practical matter, you let the court decide whether the liability exists in this instance. This is not a question that is appropriate to this Energy bill, to say the least. It is, in fact, a question which should have been allowed to be resolved by the New England States as they dealt with this question of MTBE pollution in groundwater.

So this bill has some very serious problems independent of the fact that it is philosophically wrong, that it takes a marketplace, and does so much tweaking of the marketplace that you have no longer any semblance of market force in the issue of the production of energy. You simply have a grab bag of winners and losers.

The grab bag is unique. It really is unique. I would have loved to have had a fly on the wall in that room because there must have been just a parade of people coming in and out who had their special projects.

I remember this happened once before back in 1979 or 1980 when we were just coming out of the energy crisis of the 1970s, and we had the Arab oil embargo, and we decided to put money into trying to pick winners and losers in oil production. We put money into shale oil and we put money into wind and we put money into solar. At the time, I supported a lot of that exercise and said, well, that is something we ought to try.

Unfortunately, what we failed to recognize was unless the market makes the product viable, it usually never works. That has been proven because all those initiatives—synthetic fuels, shale oil, things like that—have fallen by the wayside simply because they were not competitive in the marketplace.

So to abandon the market and to pick winners and losers is not that great a policy approach to the issue of energy. It is better to level the playing field and give the producers the opportunity to choose those products which are going to make sense. That happens to be why I was for opening ANWR, for example.

But if you had been in this room, it would have been an interesting experience because as you go through this bill you find it is replete with these little special, targeted items.

Here is one. I just opened the bill because I finally got a copy of it. I just opened it. I arbitrarily opened it to a page. This is so amusing—it is not amusing; it is horrible. But the interest is so apparent and so outrageous you have to smile about it. It is so obscene in its attack on the American taxpayers. This section is called the Geothermal Steam Act. Basically, what it says—and I am almost tempted to read the whole thing—is anybody who wants is now going to be able to apply to go on to Federal lands and produce geothermal energy.

Well, geothermal energy probably has some productive capability that makes sense. I am not sure it does because no one, other than icelandic countries, has been able to make it efficient. They have an efficiency with it because they have so much of it, and they are so small.

But basically what this bill says is, all right, you can go on public lands—let's say Yellowstone Park—where there is a lot of geothermal, and you can have the Federal Government evaluate whether or not geothermal energy should be produced there. Obviously, they are not going to do it in Yellowstone Park. That was an excessive statement, but that is where we know there is geothermal power.

Then, if you, the person getting a fairly significant subsidy in this bill for geothermal production, want to, you can then decide you are going to pursue energy there. The Department is under some significant direction to actually give you a permit, at which time you have to go through something called a NEPA process, which means you have to go out and prove there is an environmentally sound way to produce this geothermal power.

All that is outrageous in and of itself because it is basically putting a put to our national lands for geothermal power that is independent of just determining whether or not that is the appropriate use for those natural lands. This is where it gets very entertaining. Then they say, you—us, the taxpayers—have to pay for the NEPA study. We have to pay to reimburse the company that wants to do the drilling or use the geothermal power for the environmental study which they are required to produce in order to prove that the power can be produced in that area. That is a very interesting concept. That is like saying to a drug company, we, the Federal Government, must pay to produce the research to produce your drug, even though you are going to get the profits from selling the drug, or any other business that has to make a basic investment to get the asset which they are going to then sell and make money on because the only significant cost for determining whether or not they are going to get their geothermal power will be the environmental impact study. So to ask the taxpayers to pay for it is, to say the least, an unusual approach.

In the context of this bill, it is very mainstream. It is very much consistent with the rest of the bill, the fact that you are going to have $1 billion worth of land or purchases made in order to protect the shoreline. But where is it all going to be purchased? Louisiana. Ninety percent of the $1 billion is going to be spent in Louisiana; or the fact that you are going to have these shopping centers in various locations; or the fact that you are going to have an ethanol program which will probably

cost more in tax subsidy than what it cost to produce the product, certainly more than what the net income is going to be of that product, no question about that; or that you are going to have a subsidy for a variety of initiatives which are now allegedly commercially competitive—the list goes on interminably of tax credits which are now going to be put in place for different industries which already are, theoretically, producing a competitive product. But we have to expand that tax credit.

I won't read them all, but a few of them: There is a credit for production for advanced nuclear power; to repeal the 4.3-cents motor fuel excise tax on railroad and inland waterways; a credit for natural gas distribution; a credit for electric transmission properties—that this is an expensing item—an expensing for capital costs incurred in complying with EPA sulfur regulations; modifications to special rules for nuclear decommissioning costs; treatment of certain income as expenses; arbitration rules not to apply to prepayments for natural gas; a temporary suspension of limitation based on 65 percent of taxable income and extension of suspension of taxable income limit with respect to marginal production—that is stripper wells, I presume—amortization of delayed rental payments—that, I presume again, is a stripper well type of thing—amortization of geological and geophysical expenditures—these are all significant tax benefits—temporary repeal of the alternative minimum tax preference for intangible drilling costs—again, a significant tax benefit—credit for clean coal technology units—that is a tax credit.

Then, of course, relative to the natural gas business, there is a dramatic change in the way they account for their taxes. There is even a credit in here for ceiling fans, for certain steam generators and certain reactors and vessels used for nuclear technology. The list goes on and on: Energy production incentives; there is a special tax credit for granular mine tailings. Maybe that is not tax. I just noted that because it seems as if that may be a misapplication of that or the use of that.

The tax credit section, which makes up the difference between the $8 billion requested and the $25 billion that is actually being incurred here in tax credits, is just replete with special interest efforts to try to pervert the marketplace for the purposes of picking winners and losers in the energy production business. That might work at some level. There is no question there may be a legitimate need to do some of that. But this bill is excessive.

It is also clearly not being driven by energy policy but, rather, by parochial interests and by interests who see the opportunity to have significant gain at the expense of others—specifically, the general taxpayer.

We will spend a lot of time talking about these various issues. I think the more light shown on this bill, the better. I think we do need to spend a few days discussing the issues within the bill. Most specifically, we want to spend more time on this issue of MTBEs and the fact that this bill has essentially been structured to target one region of the country in a manner which seems highly inappropriate and punitive and which is clearly inconsistent with what historically has been the case, which is that you don't pass a law which says the legitimate activity of a State or group of States, in trying to defend the quality of their environment, will be wiped off the books. That is something the Federal Government should not be doing. It should certainly not be being done by a Republican-dominated Congress which theoretically still believes there are States out there that have some rights.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, if the Senator from New Hampshire would stay on the Senate floor for a moment, I don't blame him for being frustrated about the MTBE.

Mr. BINGAMAN. Mr. President, parliamentary inquiry: I would ask my colleague to yield for a question.

The PRESIDING OFFICER. Will the Senator yield?

Mr. BINGAMAN. I was just wondering if those of us who are on the Senate floor could agree on an order so my colleague from Illinois would know when he should be planning to come to speak. I know the Senator from Idaho plans to speak and Senator THOMAS would then want to speak. Would that be the order? And then I would speak and Senator DURBIN after that.

Mr. CRAIG. Certainly. I have no problem with an order.

Mr. THOMAS. Well, you have also been here. If you care to speak after Senator CRAIG, perhaps I could be after you, and Senator DURBIN after that.

Mr. BINGAMAN. I ask unanimous consent that following Senator CRAIG's statement, I be recognized to speak, then Senator THOMAS, and then Senator DURBIN in that order.

Mr. THOMAS. Fifteen minutes apiece?

Mr. BINGAMAN. Whatever period of time the Senator would want.

Mr. CRAIG. No more than 15 minutes for me.

Mr. BINGAMAN. Fifteen minutes for each of us, and a half hour for the Senator from Illinois. I think my statement will probably be closer to a half hour as well.

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

The Senator from Idaho.

Mr. CRAIG. Mr. President, the Senator from New Hampshire has left. I don't blame him for his frustration over MTBEs. What he didn't say was that it was a Federal program and a Federal mandate. If there is a liability, maybe it ought to be the Federal Government. It was the Clean Air Act that drove States in meeting their air shed requirements to address additives to gasoline that would result in some improvement in that pollution. I don't blame him for his frustration in all of that.

I hope we can sit down and resolve this issue apart from the bill that is currently on the Senate floor as it relates to the concern of the Northeast or any State that has experienced pollution and now has a groundwater problem as a result of a Federal program and a Federal mandate passed by this Congress in a Clean Air Act. The product, yes, produced independently by a private company to meet a Federal mandate and now, of course, years later, after the application of that product, we find that there were environmental consequences.

For a few moments this morning I want to talk about the energy bill we have before us, the Energy Policy Act of 2003, and to bring some context to it, on where I believe we are and how I believe we ought to approach this particular piece of legislation.

I came to the Senate in 1990. I went on the Energy and Natural Resources Committee in 1990. In 1990, we began to talk about the need for a national energy policy because we were growing increasingly dependent upon foreign sources for our energy—primarily hydrocarbons—but we had a myriad of Federal regulations that were in large part driving energy policy into a nonproductive approach.

We were basically saying to the energy companies of our country, whether electrical, hydro-based, or nuclear-based, or whether they were coal-based—we were saying to the hydrocarbon companies: You really ought not do business here because it is going to be so expensive to meet all of these Federal rules and regulations.

We had the Clean Air Act and the Clean Water Act. National environmental policy has been talked about by the Senator from New Hampshire. That was in play, and it was beginning to have very real consequences in the ability to produce an abundance of energy for our country at a reasonable cost to the consumer.

Our economy has been based on—historically and even today—an abundant supply of low-cost energy. Every American is the beneficiary of that. From the car you drive to the toys you play with out there in recreational ways, to the home you heat, to the products you use—all of them have been tied to an abundant supply of energy at a relatively low cost. But that was because we had always been producing a lot of energy.

In the 1990s, all of the environmental regulations came into play. Attitudes shifted there. There seemed to be an attitude on the part of policymakers that energy was always going to be in abundance, always going to be there; therefore, you could begin to regulate and control it for a variety of different reasons and it would just keep coming.

That is not so. The decade of the nineties proved it. In the decade of the nineties, we experienced unprecedented economic growth, but we also became increasingly huge consumers of energy at a time when we were no longer producing much energy. We were living off the surpluses that had been built into the capacity of the energy development and producing system in our country and a delivery system that was produced in the sixties and the seventies and the 1980s.

Guess what began to happen in the latter part of the nineties. The lights went out. The lights dimmed and, of course, energy costs began to go up. That once 75 cents or 80 cents a gallon for gas all of a sudden went to $1.25, $1.60, and not long ago, in some areas, it spiked at $4 in one instance. We saw what happened to electrical energy. No longer was that switch that you woke up to every morning and flipped expecting your home and bedroom and bathroom to be filled with light—no longer was that switch something you considered automatic, that you just flipped and it was always going to be there. The generation at hand always accepted that energy was always there and relatively inexpensive, but, more importantly, they believed it was always going to be there: Just throw the switch and on came the lights.

In the late part of the nineties, they threw the switch in California and the lights didn't come on. What happened this summer in the Northeast? They threw the switch and the lights didn't come on. Somebody has to be to blame; the lights are not coming on. We went to the gas pumps, and all of a sudden it was costing us an arm and a leg to fill up our cars or SUVs; any form of transportation was beginning to cost more.

What happened? Why are we here? This President, George W. Bush, before he came to office as President elect, met here with the majority leader and leaders in the Senate and said: We have to get this country back into the business of producing energy—all forms of energy, including hydrocarbon, electrical, green energy, black energy, but environmentally sound in all respects. We have to get back into the business of production.

No longer were we 35, 40, 45, 50 percent dependent; now we were 55 percent dependent upon some other country to supply our hydrocarbon base. We had to begin to extend our politics around the world to secure the stability of that market and that supply because we decided here at home that we were no longer going to be producing it because there was an environmental cost to that production.

If you were witnessing the Senate floor a couple of years ago, the debate was on producing oil in Alaska. This Senate basically said: No, we are not going to do that anymore; the environmental consequences are too great. So we will let somebody else produce it in Saudi Arabia or in Iraq or Russia, and we will pay them and we will ship it over here. They will profit by it and we will spend it, we will use it.

That is really what our policy said—not in a spoken way but in an unspoken way.

That is why this President and it is why others—I and others who work on the Energy Committee and studied the market and watched the trends over the past decade—realized something had to be done. We began to try, as Republicans and then as Democrats.

The Senator from New Mexico is in the Chamber. He chaired that committee. He worked mightily hard to produce an energy bill a couple of years ago, and we got it to the floor and we passed it out of the Senate. I voted for it. Why? Because it was a major step in the right direction. In fact, it was the bill of the Senator from New Mexico that passed out of the Senate this year because we could not get our bill out. We could get enough votes for that bill.

What was happening out there was a growing consensus in the Congress, the House and the Senate, that something had better get done.

Now, let's take the Clean Air Act. To maintain clean air quality, you heard about the problems we created in the Northeast with MTBEs—that additive to fuels. We have another problem as it relates to all of that. The lights went out up there this summer because we had not created an environment in which investment in a profitable way could be put back into the electrical grids and electrical systems, that could be returned to the investor so that these kinds of problems would not exist. There were a lot of other things we tried to do.

Out of all of that, there clearly came a consensus that something ought to be done. What you have before you now—and my guess is we ought to debate it for a good long while—is the Energy Policy Act of 2003. It just passed the House. It is a mighty big piece of legislation, no question about it. What does it do? It puts the United States back into the business of producing energy. That is what it does. It didn't pick winners or losers. It largely said, pick it all, get it all, advance solar power, advance wind power, advance conservation, take the old technologies of gas, coal, and oil and put new technology to them so that we can use those abundant resources in a way that they will be environmentally cleaner.

That is what we are saying here. We are not subsidizing. We are saying that if you invest your dollars into the market, you are going to get a tax credit in return. That is called incentivizing investment. That is why those who look at our work product say that over the course of the decade this bill could produce over 800,000 new jobs in the lower 48 States and Alaska and Hawaii. Why? Because we are asking the marketplace to invest, and we are incentivizing all of the bits and pieces of the marketplace.

I used to be a bit selective—solar is only a percent; wind may be a couple to 3 percent. Was it worth doing? Yes, it is worth doing. It is clean. So we add it up and it is 4, or 5, or 6 percent in the total marketplace over the next decade, and it is clean energy. Americans want clean energy, and we ought to be doing that. So we are doing it in this bill.

We are also saying, without question, that coal is a huge producer of electricity today and it has caused problems in the past. We have a Clean Air Act, and we want to drive ourselves toward ever cleaner air. Here we are continuing to incentivize the substantial investment in clean coal technology.

What is also transpiring here—and we heard it debated on the floor a good number of times—is the issue of greenhouse gases and climate change, a product of burning of hydrocarbons. This bill goes more toward climate change and improving our environment than any climate change bill we ever had on the floor of the Senate, and here is the reason: Every new technology, every new dollar invested in the marketplace puts down a cleaner form of energy and brings down the overall emission of greenhouse gases. That is what happens when you create new technologies and you bring on line new approaches. It was the old approaches that were producing the greenhouse gases using hydrocarbons. The new approaches are producing substantially less greenhouse gases.

As this economy comes back under new technologies, already per unit of production in our economy we are using less carbon, and that has already been shown. We are leading the world as it relates to unit of production as to the amount of energy or carbon produced by that production. This bill drives us even further toward a cleaner environment because we are investing in the environment, and we are incentivizing that investment.

Madam President, how much time do I have?

The PRESIDING OFFICER (Ms. MURKOWSKI). Two minutes remaining.

Mr. CRAIG. Madam President, another area that is significant in this bill—and I will be talking later about a variety of the approaches we have taken—is the area of nuclear energy, without question one of the cleanest forms of energy out there. There are no emissions. There has always been a concern about waste management and the waste stream that comes from nuclear plants, but we also have recognized our ability to manage it and other nations' ability to manage that waste stream in a responsible fashion.

In this bill, we clearly incentivize the marketplace to get back into the business of electrical production through nuclear generation. We have even proposed a new reactor concept called a passive generation 4 reactor, and also we will tie to that an electrolysis process to produce hydrogen, to begin to fuel this new exciting initiative which our President led in saying the transportation fuel of the future ought to be

hydrogen. Why? We can produce it, and we can produce a lot of it. We ought not be producing it from natural gas; we ought to be producing it from water. Let natural gas heat space. Don't ask natural gas to generate electricity or create hydrogen. That is not the way to use natural gas. That is part of what has driven the cost of it up. So another new initiative.

While anyone can stand on the floor and pick at the pieces, look at the whole. It is a market basket full of energy for the future of this country to ensure reliability so that when you wake up in the morning and you turn on the light switch, the light comes on; when you plug in your computer, the screen lights up; when you go to the Internet, you can communicate across the world instantly, and it is all driven by energy.

Every single minuscule thought is driven by energy, and this country hasn't been producing energy for over a decade. We have been only the consumer of that energy basket. I think we ought to be proud of this work. I think we ought to be energized to pass it for the future of our country, for the future of our economy. We incentivize the marketplace to go back to work and produce all forms of energy from every concept and every idea.

Let's not pick winners and losers. I am sorry, we don't pick winners and losers. The Senator from New Hampshire is wrong. We say do it all and do it well. Out of it may come new sources that 30 or 40 years out dominate the energy supply of this great country.

I am proud of the work we have done. I hope the Senate will join collectively in adopting the conference report. The House has already seen the merit. The President strongly supports it. Let me tell you, the American people support this package because they don't want $4-a-gallon gas, and they want the light to come on in the bathroom when they wake up.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. I thank the Chair.

Madam President, I will speak for a few minutes about the Energy bill. I know we will have additional opportunities to speak as the day wears on, but I wish to give a few comments before my colleague, Senator THOMAS, speaks.

We are beginning today the debate on H.R. 6, which is entitled the Energy Policy Act. We have had many hours of debate on this subject in the Senate over the last few years. The debates we have had before in the previous Congress and then this year in this Congress have resulted in our passing an Energy bill with an overwhelming vote.

I am very gratified to recount that the Senate did vote with a large majority, a bipartisan majority, in favor of an Energy bill in 2002. In the 107th Congress, we passed an Energy bill by a vote of 88 for the bill and 11 against and 1 not voting. Earlier this year, we passed the same bill we had passed in the previous Congress again with a large bipartisan majority: 84 Members voted for it, 14 against, and 2 did not vote.

Of those who opposed the bill, I would say there is fairly good representation from both parties. So this has not been a bill that has gone through the Senate, as previous energy bills, on a partisan basis. I think we can all take some gratification in that.

It is important, in my view, that we deal with these issues—the issue of energy supply, the issue of energy sufficiency, concern about the important connections between energy policy and environmental policy, including global warming, to which my colleague, Senator CRAIG, was just referring. Those are all issues that I think deserve substantial attention as, I have said, we have devoted substantial time to them.

It is not easy to bring together all the competing views and points of view that come together in this legislative body and come out with an end product. I congratulated my colleague, Senator DOMENICI, the other day when we concluded the conference on the fact that he had been able to produce a conference report. I did not congratulate him on the content of that report because I had serious disagreements with it, and I expressed those views. There is a substantial amount involved in producing a conference report, and he deserves credit for doing that.

The chairman of our committee said—and the chairman of the conference said—he did not consider this report to be perfect. I could not agree with him more. I recognize that it is not fair to expect perfection in this process, but we could have done much better had the process been a better process. We could have done much better in terms of the product that was produced.

I believe we find ourselves now with a bill that does not command the broad support and staying power we should have in a national energy policy.

I think the entire country should be brought into a national energy policy and support a comprehensive approach to dealing with our energy problems.

Our difficulty, of course, is we now are presented with a bill that we either vote for or against. I have been one who has advocated adopting an Energy bill. I have advocated for essentially the basic premise that President Bush campaigned on when he ran for office. He said that we needed to try to put in place something that was a coherent national energy policy, and I essentially agreed with that idea.

I remember former Chairman Bob Galvin of Motorola saying at one point there are certain things that the country should set out to do on purpose. To me, establishing a national energy policy seems to be one of those things that we should set out to do on purpose, because if we allow the issue to go unaddressed and the subject to go unaddressed, we can find ourselves substantially disadvantaged economically and in many other ways by virtue of not having an energy policy. I fear that is where we find ourselves today in many respects.

So while I compliment the President for recognizing the importance of an energy policy, I do not think he got us off on the right foot once he became President in trying to develop that comprehensive, coherent energy policy. By that I am referring, of course, to the process that the Vice President was tasked to perform and did perform of trying to come up with a blueprint. That was a closed process. There have been efforts through the courts and otherwise to try to find out precisely who was talking to whom and which groups and individuals were consulted, but clearly that was a closed process. There was no reaching out to Democrats in the Congress. To my knowledge, there was no reaching out to many of the groups that have a vital interest in this issue. That was a mistake. At the time, I said it was a mistake. It prevented policymakers from hearing the broad range of views that would have been offered, I believe, in a constructive manner.

In addition, the conduct of that exercise, in that closed process, failed to generate the public trust and confidence that we ought to have behind the energy policy we adopt. So I think the President made a mistake in the way he got us started on developing an energy policy. Unfortunately, that mistake has been repeated in the process that we have seen leading to this final conference report.

My colleagues and I on the Democratic side of the aisle in the Senate have voiced our concerns about this many times. The conference was a closed process. In my view, clearly that was not designed to get us a product that would enjoy broad support, and it has not. We did have a meeting. We had, of course, one early meeting where conferees were permitted to come forward and make opening statements. Then some 71 or 72 days later, we had a final meeting, which lasted approximately 3½ hours, where Democratic conferees in the Senate offered 20 substantive amendments on a wide variety of topics. None of those amendments can be found in the conference report today. That leads me to conclude the exercise was cosmetic and that there was no real intent, as we went into that final conference meeting, of seriously considering any of those Democratic amendments since none of them were agreed to.

In fact, one that was agreed to by the Chair when it was offered was, of course, rejected by the House, as were all the others.

Of the 4 that slipped through the process—16 of the 20 that we offered were rejected out of hand. Four of them did get through the process, but they were all rejected on a party-line basis by the House Republicans as the first order of business when they convened later that same evening.

We went to conference on this bill expecting we would be able to participate in a meaningful way. That was not permitted. I regret that it has gotten to the point we are at now.

The common ground that was reflected in the Senate-passed bill was based on a few basic principles, and I will allude to those. First, perhaps most importantly, was the basic agreement that we needed to have an energy policy that struck a balance between increasing energy supplies and encouraging additional energy efficiency or conservation. I think all of us can agree, at least at some level, of a conceptualization that both have to be done in order to deal with energy problems. Supplies have to be increased. Usage has to be decreased. That is the only way to begin to make up the enormous deficit which we are currently operating under with regard to energy, where we are importing a tremendous amount of energy.

The reality is that our country does need new policies in both areas, and that was what we set out to do. On the energy supply side, one of the most important national needs is to meet the need for natural gas. Natural gas is the fuel of choice for most electric generation that is now being planned. We know there have been plans to construct substantial additional electric generation that uses natural gas.

Natural gas will play an important role in any new distributed generation that is planned in the future. It is favored by alternative fuel vehicle programs in both the Government and in the private sector. It is the most likely feedstock to produce hydrogen.

The President has indicated his strong support for moving to a hydrogen-based economy. The point which I think often gets lost is that the most logical and ready source for that hydrogen is natural gas. So it is not possible to just say, OK, let's not use oil and gas, let's use hydrogen. Natural gas has to be used, or at least that is what most people think is the most economic course to follow.

Apart from its energy uses, of course, natural gas is also a critical feedstock for the petrochemical industry and the fertilizer industry.

Over the long haul, natural gas consumption in this country is outstripping the amounts we are able to produce in the lower 48 States. We as a nation are in the early stages of developing a substantial dependence on foreign sources of natural gas. Just as we find ourselves today dependent upon foreign sources of oil, in the near future, the next decade or so, we are going to find ourselves substantially dependent upon foreign sources of natural gas. That is not a good result, and it is not one that we should sit by and idly allow to occur.

We all know, and the Presiding Officer today knows better than any of us, that there are at least 35 trillion cubic feet of natural gas that are stranded on the northern slope of Alaska, Prudhoe Bay. That gas has been produced and is being produced every day, along with the oil that we now produce at that location. The gas is currently being pumped right back into the ground because there is no way to transport it to the lower 48 where it is needed.

As we see the price of natural gas go up in the lower 48, as we may well this winter—we do not know—we need to remember there is a substantial supply of natural gas that we are not accessing. We need to provide financial incentives to the private sector to help in the construction of a pipeline to bring that gas to the lower 48. Such a project would not only help with our national energy needs, national energy security, it would also, of course, be a great boon to construction in this country, and to the domestic steel industry.

We hear a lot of talk about how this bill before us is now a jobs bill. To the extent that one cannot argue the virtues of it from an energy perspective, they have to talk about it as a jobs bill. There are jobs that will be created from this bill. There are a great many more jobs that would be created if we provided an adequate incentive for the construction of the pipeline in Alaska. On this topic, the conference report does not measure up. It does not do what we did in the bills that we passed through the Senate, in the bills that we passed through the Senate both last year and this year.

It does contain regulatory streamlining procedures for the pipeline that former Senator Murkowski and I worked hard on in the previous Congress. That is a critical part of the problem. But in order to get the pipeline constructed, we also need to have fiscal incentives. The Senate voted for those. The administration opposed them.

Once Chairman DOMENICI announced publicly that they would not be part of the conference report, all of us who were officially conferees received a letter from the CEO of the gas company that has been most active in promoting going forward with the design and construction of such a pipeline, and that corporate executive stated that based on his understanding of the conference report, his company could not proceed with the project in face of the extraordinary financial risk that it would have to bear if gas prices were to drop below what the Energy Information Administration agrees is the likely level.

So the lack of a risk mitigation mechanism, that probably would never have cost the taxpayers a dime, and even if it had cost taxpayers, there was a provision to ensure that those funds would be repaid when the price went back up again—but because of the lack of that risk mitigation mechanism, the likelihood is that our Nation will forego the possibility of using that Alaskan natural gas for future supply needs.

We will, instead, depend on imports of liquefied natural gas. We will bring our natural gas from places like Nigeria and Trinidad. Those are places, of course—some of those places, at least—that have their own problems with regard to political stability and the security of that supply.

Building the necessary transportation system for LNG, liquefied natural gas, will create jobs for shipyard workers in Korea, but we will not have the jobs for pipeline construction for Americans on this continent.

I believe this is an unfortunate policy mistake that our country will come to regret. I am disappointed we were not able to maintain in the bill the financial incentives that we put in the bill when the Senate acted previously, both in the last Congress and this Congress.

Along with providing for more robust domestic supplies of natural gas, we need to look for ways to diversify our energy generation away from such reliance, such strong reliance on gas. One important arena in which we can do this is in electricity generation.

The bill the Senate passed earlier this year focuses this diversification strongly on new technology, including ultraclean ways of burning coal. Ultraclean coal is the most sustainable way over the long term to ensure that coal maintains its key position in our national energy mix. This is because concerns about the levels of pollution emitted from coal-fired plants are only increasing. It increases, of course, as the concern about the contribution of coal-fired generation to global warming increases.

This conference report unfortunately takes a step backwards from what we passed through the Senate in its commitment to ultraclean coal. The percentage of funding dedicated to these purposes is cut by 20 percent. A new competing program of direct grants to companies to pay for half of the cost of current technology pollution equipment, and current technology coal-fired generation is also put in place.

In my view, we have limited Federal funds. Focusing those Government subsidies to buy today's technology instead of investing to create tomorrow's coal technology, risks coal's ultimate ability to maintain its position in our energy mix. I think that is unfortunate and a policy mistake as well.

Another key part of the strategy of diversifying away from natural gas would be to tap into opportunities for distributed generation, such as combined heat and power at industrial facilities. Here again, the conference report falls short as it does not address the barriers that have been erected to uniform interconnection of distributed generation to the grid. It is not enough to have the technology. We need to rid ourselves of the redtape that is keeping that technology from being used. Again, I believe our previous bill facilitated that. I don't believe this bill does.

Along with these steps, we also need to make a greater push to introduce renewable energy technologies for electricity generation. Some of these renewable technologies are already cost competitive. Wind is the prime example. But in order to see widespread use of these technologies, both financial and regulatory incentives should be put in place. That means both a meaningful production tax credit—and there is a meaningful production tax credit in this conference report. I commend the drafters for that. We would need that, but we also need a flexible renewable portfolio standard for electric utilities.

For those who have not been studying this area, a renewable portfolio standard essentially means a requirement on utilities to produce a certain portion—in the case of our bill, 10 percent—of the power they produce or that they sell, 10 percent of that power should come from renewable sources. That is what our Senate bill provided. That provision, of course, has been deleted from the bill that is now before us. I think that, again, is a mistake in policy.

The lack of an effective renewable portfolio standard is a major missed opportunity for our country. There are those who argue that we should leave this to the free market. But the reality is that a majority in the Senate, a majority of Senate conferees have disagreed with that. In spite of that, we have deferred to the House, and the House says they don't like it. We say fine; if you don't like it, we will drop it.

The conference report is pretty much status quo on the future of renewables and the future role of renewables in our energy mix. Tax credits are extended for a few more years and slightly broadened, but renewables do not get anywhere near the attention lavished on them in this legislation that the coal industry gets or that the nuclear power industry gets.

Coal and nuclear power have problems with regard to social acceptance. So in the absence of a stronger push forward on increasing renewables I think the conference report is basically making a choice in favor of the existing trends toward an overreliance on natural gas for future electric generation. That choice leaves our citizens' future natural gas and electricity prices that are more volatile than they should be, resulting in more frequent price spikes than we would like to see. People will come back and say: Why did you in the Congress not try to deal with this problem and anticipate this problem and head it off in a more meaningful way?

Renewable energy technologies can help with another energy supply issue that we face and that is of transportation fuels. The conference report mandates a phase-in, an introduction of up to 5 billion gallons of ethanol in our gasoline supply by 2012. This has been coupled in the conference report with the issue that has already been discussed fairly broadly here in the Senate this morning, and that is the issue of how to treat the gasoline additive MTBE, methyl tertiary-butyl ether. One provision in the ethanol title purports to ban MTBE by the year 2014, but when you look at the rest of the language, it is clear the ban is full of loopholes.

For one thing, each State Governor can opt his or her State out of that ban, if the Governor determines. This language is sufficiently vague that it appears that States can opt out, even after the purported national ban goes into effect.

I do not know if that was intended, but that certainly is the way it appears.

One other problem with the language is that the President is given extraordinary powers to make the statutory ban null and void by a stroke of the pen in the year 2014 before it takes effect. With these kinds of loopholes, it is not likely MTBE will actually be banned nationwide in 2014.

In addition, the conference report provides product liability protection for MTBE and does so retroactively as to September 5 for any lawsuit filed after that date. The Senator from New Hampshire spoke about his objection to this as it affects his State. I can certainly understand that objection. I think it is one other provision that undermines the broad bipartisan support we really ought to be able to enjoy for this bill.

Even with the greater use of renewable fuels in cars, we still will be very dependent on oil for the transportation sector. It is in our national interest to support domestic production of oil. But many of us know our domestic production of oil is not adequate. We are more and more dependent on foreign sources of oil, and most of that growing dependence on foreign sources of oil is occurring in the transportation sector as we are using more and more gasoline for larger and larger cars every year.

I notice, as everyone else does, all of the advertisements for Hummers. I am sure that is a great vehicle, but the reality is that when you have such a focus on larger and larger vehicles and less and less efficient vehicles, as we have and have had for some time in this country, it is clear that our dependence on foreign oil will grow, as it has been growing.

I understand that the answer to our doing nothing there—we did not do a great deal in the Senate bill on this subject, and we did much less than I wanted to do. But we did adopt an amendment by the Senator from Louisiana, Ms. LANDRIEU, that set a goal for reducing the amount of oil consumed in our transportation sector, and we gave broad discretion to the President and the Secretary of Transportation as to how they achieve that goal. That provision, modest as it was, has been deleted from this bill. That, in my view, was an unfortunate deletion and, again, a wrong direction for us to be going in our national energy policy.

I have various other points I wish to make. I know my colleagues are here ready to speak. I will have opportunities to speak later and conclude my remarks on a whole range of issues since this is such a comprehensive subject. It is a comprehensive set of provisions with which we are being presented.

At this time, in deference to my friend, Senator THOMAS, let me yield the floor so he can speak. Of course, the Senator from Illinois is also here ready to speak. I will defer to him as well.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Madam President, I thank my friend from New Mexico and the ranking member on our committee. I thank him for the work he has done.

I think it is interesting, as we hear people begin to talk about this bill and talk about the need for an energy policy, to say how important it is for us to have one and then spend the rest of the time opposing the things that are there.

The fact is we do need an energy policy. We haven't had one for a very long time. It has been something we have been working on now for 3 years. The other side of the aisle was unable to get one for the last year, and we worked right up to the end and it didn't get through. Now we have worked on it another 2 years, and we ought to be able to get it finished. I am disappointed that everyone talks about the need and then begins to talk about why they don't like this bill and this little piece and that little piece. I understand. It is a broad bill. But it is an important issue.

We need an energy policy. We need the kind of energy policy that gives us some direction for where we are going to be in the future. It is not designed to deal with all the problems that may exist today, although some of those are there of course. We ought to be looking to where we need to be in 10 years or 15 years down the road. That is what policies are for—to talk about the future.

It obviously has to be a balanced policy. Unfortunately, I am afraid very many of our friends here and very many of the folks in the country are just accustomed to turning on the lights, going to the gas station, and not thinking about how it happens to be there.

It is kind of interesting that for States that are dependent on all other sources, their representatives are more opposed to doing something than the people who are producing the product. I think it is time they begin to take a look at the fact that energy just isn't there naturally. There has to be a policy to do that. It has to be a balanced policy.

We are looking at conservation. We are looking at alternatives. We are looking at renewables. Of course, in the short term, in reaching those goals, the most important thing we have to talk

about is domestic production so that we aren't becoming more and more dependent on foreign countries to provide what we are using.

One of the reasons is that much of the opposition comes from environmentalists who only look at things from one side. This needs to be balanced. In my State of Wyoming, we are very concerned about the environment. We also know that you can have multiple use, you can have production, and you can also take care of the environment. You don't just have to say you can't touch these areas. These are the kinds of balances we have to find to really be able to move forward the way we would like to do.

I thank Senator DOMENICI and Representative TAUZIN and their staffs. They worked very hard. We worked on it very hard as well, prior to putting it together for the Senate and certainly from the House side, with a mix of domestic production, research and development, incentives to cause these things to happen, and conservation. We will be better off certainly with the passage of this bill and this legislation. It has been over a decade in coming.

It has been over 2 years—almost 3 years—since the President's office and the Vice President particularly set about to come up with an energy policy so we will have some direction on where we are going as the demands increase, which they are. There has to be some way to meet those demands.

The idea that you can suddenly go to alternatives and renewables—they produce now about 3 percent of the total we utilize, notwithstanding the dams and that sort of thing. But air, wind, solar are a very small percentage. They have great possibilities for the future, but that isn't going to happen next year, or the next year, or even 5 years from now. That is what this thing is all about—to make some movement.

We have experienced blackouts. We have experienced natural gas price hikes and all of those kinds of things. When that happens, suddenly everybody talks about energy. When that moves away from us, we forget about it again. We really ought to stay on the issue. I don't think we should, nor can we, wait for another crisis to be able to do something of this kind.

If there is anything we should have learned in the 21st century and the quality of life that we seek, the idea of creating jobs, the idea of having a vibrant economy is very closely enhanced and tied to reliable energy and a clean environment. Those are the goals that we have. We have to modernize conservation to be able to do that job more effectively.

Everyone is in favor of conservation. But how much have you done in your home in terms of having incentives to change the equipment you use to make it more conservation-like? Very little. We just want more power at a cheaper price.

What have we done to modernize our infrastructure? We see things changing. With more and more market generators who do not make the distribution and have to move it to a market, then you have to change the system, you have to change the system of moving power. Those things change. Indeed, they are changing.

We have to increase our energy supplies, including renewables and alternatives.

We can do a better job of protecting the environment. I am persuaded. Obviously, there are some places in our States that should be set aside—and they are set aside—national parks, wilderness areas, parts of the forests, and this and that. Half of our State land belongs to the Federal Government. It is public land. We have to find a way to have alternative uses and to have multiple use. We intend to do that.

Finally, one of our goals ought to be increased national security. What could be a more important goal than that? Are we going to be dependent on Iraq and Saudi Arabia for our energy? We need to change that. After years of talking about it, this is a good opportunity to do something.

In any bill as complex and as large as this, there will be items of disagreement, such as MTBE liability. Of course, we can talk about that the rest of the month. But we ought to give a little thought to where we need to be with energy and whether that is the tradeoff necessary to defeat a bill. I cannot imagine that tradeoff. We need to have a balanced approach. That is what we seek.

There has been a lot of talk about the tax credits. Let me state what they are for: tax credits for residential energy efficiencies; tax credits for producing electricity from certain renewable sources; tax incentives for fuel-efficient vehicles; tax credits for efficient appliances. All the talk of tax credits, and that is what they are for. That is how a private sector system gives incentives.

For reliability, accelerated depreciation of natural gaslines so we can have accelerated depreciation for distribution, electric transmission lines. We need reliability to move the energy; open transmission, to be able to deal with the changes taking place in the development of the energy we have now.

Production: How to get more production of gas and oil? Through incentives. Marginal wells, low-production wells, do not produce. There has to be an incentive to continue to produce, to continue to reintroduce CO_2 into the ground. These are not to make someone wealthy. These are designed to cause things to happen.

Suspended income in the percentage of depreciation for small producers, provide amortization for geophysical expenses to determine where we have production opportunities for oil and gas—these are the items we mean when we talk about tax credits.

Yes, there are substantial credits but that is how we move toward domestic production. We can do it in an economically and environmentally sound manner.

Oil and other fossil fuels provide 85 percent of all energy use in the United States. The fact is, we still depend on coal largely for the development of electricity. Quite frankly, we ought to depend on it even more because gas is so much more flexible for other uses. We are working on ways, with some of the dollars in the bill, to provide cleaner plants for the production of electricity with coal. That is part of the overall plan to move forward.

Renewables, including hydrogen, currently provide about 7 percent. Absent hydro, it is only about 3 percent. We built a building for a company I worked with in Caspar and we used solar. This was about 15 years ago. Quite frankly, it did not work. We had to remove the solar panels and do something else. We had to find another way. Now I think it probably would work. We have to move forward.

There is a difference in views depending on where you are from. The New Englanders have one point of view; of course, they use the energy. Some of the rest of the country produces as well as uses energy. My State produces about 35 percent of the Nation's coal and has the greatest coal reserves of any place in the United States. We are sixth or seventh in the production of oil. In gas, we are about fifth. We have come up with a methane production opportunity recently. There has to be a policy that encourages production so we can move forward.

We have to have investment in the transmission. We find increasingly the market is here and the energy use is over here. That is a problem in California. California is the biggest user of energy but that is not the energy development area. We have to move that energy, whether it is through pipelines or transmission.

In the bill we are trying to put together regional transmission organizations for electric transmissions so the States can collectively make some decisions with respect to interstate movement. No Member wants to leave it all in the hands of FERC, although there has to be some opportunity for FERC. We have to leave some responsibility there.

We have had a big hassle over standard market design. This bill puts in a standard market design as it was designed a couple of years ago. But it does recognize that FERC still has to ensure reliability so we do not have blackouts, to assure the opportunities for movement of energy among States, which is not always an easy thing to do. These are realistic issues.

I am surprised sometimes we find so much opposition to ideas. Ideas have to be here to accomplish our goals. That is what a policy is, to have a goal and decide how to get there. I cannot help but continue to be a little surprised at

the difficulty in getting an energy policy on the ground. In any bill as complicated as this, everyone has a different view and everyone can change things a bit. This has become a collective bill, put together by the House, the Senate, Democrats, Republicans, people from New England, people from all over. We have a mixture of ideas. I would not have done it exactly this way had I been doing it by myself, but I think it is important to have a policy to move on, dealing with our demand for energy, and moving in the direction we want.

In general, this is a good bill. This is a bill that moves us forward for energy in the future, the kind of future in which we can work on our conservation methods and, hopefully, reduce the demands we have—at least the growth level we have had in the past—and that we can find alternative fuels.

As we move forward, we are looking now at coal as the basis for hydrogen. That can be very important. Imagine if we developed hydrogen cars next year and were ready to go with them as a clean and available source. How long would it take to get the delivery system in place, to get hydrogen stations instead of gas stations all over the country?

When we think about potential changes out there, we have to think about reaching that point. We must continue to provide energy as we now know it, as we move toward something different. All this talk of more oil and gas, we will have renewables. Good luck. What are we going to do in the 15-year-period of transition?

I hope we continue to look at a balanced policy with conservation, alternatives, domestic production, research, more cleanliness in production, and so on.

We will continue, I suppose, to talk about this matter for a while. I am disappointed that apparently there is going to be a reluctance to let us move forward with it as quickly as we should. We are trying to complete some business this week, and yet it is going to be very difficult to do that.

VETERANS HEALTH CARE AUTHORITIES EXTENSION AND IMPROVEMENT ACT OF 2003

Mr. THOMAS. Madam President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 383, S. 1156.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1156) to amend title 38, United States Code, to improve and enhance the provision of long-term health care for veterans by the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with an amendment to the title and an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

[Strike the part shown in black brackets and insert the part shown in italic.]

S. 1156

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 ''Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003''.

[TITLE I—EXTENSION AND ENHANCEMENT OF AUTHORITIES

[SEC. 101. EXTENSION AND MODIFICATION OF CERTAIN HEALTH CARE AUTHORITIES.

[(a) TREATMENT OF NONINSTITUTIONAL EXTENDED CARE SERVICES AS MEDICAL SERVICES.—Section 1701(a)(10)(A) of title 38, United States Code, is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

[(b) REQUIRED NURSING HOME CARE.—(1) Subsection (a) of section 1710A of such title is amended by striking ''70 percent'' and inserting ''50 percent''.

[(2) Subsection (c) of such section is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

[SEC. 102. ENHANCED AGREEMENT AUTHORITY FOR PROVISION OF NURSING HOME CARE AND ADULT DAY HEALTH CARE IN NON-DEPARTMENT OF VETERANS AFFAIRS FACILITIES.

[Section 1720 of title 38, United States Code, is amended—

[(1) in subsection (c)—

[(A) by designating the existing text as paragraph (2); and

[(B) by inserting before paragraph (2), as so designated, the following new paragraph (1):

[''(1) In furnishing nursing home care or adult day health care under this section, the Secretary may enter into agreements for furnishing such care utilizing such authorities relating to agreements for the provision of services under section 1866 of the Social Security Act (42 U.S.C. 1395cc) that the Secretary considers appropriate.''; and

[(2) in subsection (f)(1)(B), by inserting ''or agreement'' after ''contract'' each place it appears.

[TITLE II—CONSTRUCTION AUTHORIZATION

[SEC. 201. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

[The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in an amount not to exceed the amount specified for that project:

[(1) Construction of a long-term care facility in Lebanon, Pennsylvania, $14,500,000.

[(2) Construction of a long-term care facility in Beckley, West Virginia, $20,000,000.

[SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There are authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2004 for the Construction, Major Projects, account, a total of $34,500,000 for the projects authorized in paragraphs (1) and (2) of section 201.

[(b) LIMITATION.—The projects authorized in section 201 may only be carried out using—

[(1) funds appropriated for fiscal year 2004 pursuant to the authorization of appropriations in subsection (a);

[(2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2004 that remain available for obligation; and

[(3) funds appropriated for Construction, Major Projects, for fiscal year 2004 for a category of activity not specific to a project.

[TITLE III—PERSONNEL

[SEC. 301. MODIFICATION OF AUTHORITIES ON APPOINTMENTS OF PERSONNEL IN THE VETERANS HEALTH ADMINISTRATION.

[(a) POSITIONS TREATABLE AS HYBRID STATUS POSITIONS.—Section 7401 of title 38, United States Code, is amended—

[(1) in paragraph (2), by striking ''Psychologists'' and all that follows through ''other scientific'' and inserting ''Other scientific''; and

[(2) by striking paragraph (3) and inserting the following new paragraph (3):

[''(3) Audiologists, speech pathologists, and audiologist-speech pathologists, biomedical engineers, certified or registered respiratory therapists, dietitians, licensed physical therapists, licensed practical or vocational nurses, medical instrument technicians, medical records administrators or specialists, medical records technicians, medical technologists, nuclear medicine technologists, occupational therapists, occupational therapy assistants, orthotist-prosthetists, pharmacists, pharmacy technicians, physical therapy assistants, prosthetic representatives, psychologists, diagnostic radiologic technicians, therapeutic radiologic technicians, social workers, and personnel in such other positions as the Secretary designates (subject to section 7403(f)(4) of this title) for purposes of this paragraph as necessary for the medical care of veterans.''.

[(b) REPORT ON PROPOSAL TO DESIGNATE ADDITIONAL POSITIONS AS HYBRID STATUS POSITIONS.—Section 7403(f) of such title is amended by adding at the end the following new paragraph:

[''(4) Not later than 45 days before the date on which the Secretary proposes to designate a position as a position necessary for the medical care of veterans for which appointment may be made under section 7401(3) of this title, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the proposed designation.''.

[(c) TEMPORARY, PART-TIME, AND WITHOUT COMPENSATION APPOINTMENTS.—Section 7405 of such title is amended—

[(1) in subsection (a)—

[(A) in paragraph (1), by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

[''(B) Positions listed in section 7401(3) of this title.

[''(C) Librarians.''; and

[(B) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraph (B):

[''(B) Positions listed in section 7401(3) of this title.''; and

[(2) in subsection (c)(1), by striking ''section 7401(1)'' and inserting ''paragraphs (1) and (3) of section 7401''.

[(d) AUTHORITY FOR ADDITIONAL PAY FOR CERTAIN HEALTH CARE PROFESSIONALS.—Section 7454(b)(1) of such title is amended by striking ''certified or registered'' and all that follows through ''occupational therapists,'' and inserting ''individuals in positions listed in section 7401(3) of this title,''.

[SEC. 302. COVERAGE OF EMPLOYEES OF VETERANS' CANTEEN SERVICE UNDER ADDITIONAL EMPLOYMENT LAWS.

[Section 7802(5) is amended by inserting before the semicolon the following: ''. Employees and personnel under this clause may be considered for appointment in Department positions in the competitive service in

the same manner that Department employees in the competitive service are considered for transfer to such positions. An employee or individual appointed as personnel under this clause who is appointed to a Department position under the authority of the preceding sentence shall be treated as having a career appointment in such position once such employee or individual meets the three-year requirement for career tenure (with any previous period of employment or appoint- ment in the Service being counted toward satisfaction of such requirement)''.

[SEC. 303. EFFECTIVE DATE OF MODIFICATION OF TREATMENT FOR RETIREMENT ANNUITY PURPOSES OF CERTAIN PART-TIME SERVICE OF CERTAIN DEPARTMENT OF VETERANS AFFAIRS HEALTH-CARE PROFESSIONALS.

[(a) EFFECTIVE DATE.—The effective date of the amendment made by section 132 of the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001 (Public Law 107–135; 115 Stat. 2454) shall be as follows:

[(1) January 23, 2002, in the case of health care professionals referred to in subsection (c) of section 7426 of title 38, United States Code (as so amended), who retire on or after that date.

[(2) The date of the enactment of this Act, in the case of health care professionals referred to in such subsection (c) who retired before January 23, 2002, but after April 7, 1986.

[(b) RECOMPUTATION OF ANNUITY.—The Office of Personnel Management shall recompute the annuity of each health-care professional described in the first sentence of subsection (c) of section 7426 of title 38, United States Code (as so amended), who retired before January 23, 2002, but after April 7, 1986, in order to take into account the amendment made by section 132 of the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001. Such recomputation shall be effective only with respect to annuities paid after the date of the enactment of this Act, and shall apply beginning the first day of the first month beginning after the date of the enactment of this Act.

[SEC. 304. PERMANENT AUTHORITY FOR USE OF CONTRACT PHYSICIANS FOR DISABILITY EXAMINATIONS.

[(a) PERMANENT AUTHORITY.—Section 504 of the Veterans' Benefits Improvements Act of 1996 (Public Law 104–275; 110 Stat. 3341; 38 U.S.C. 5101 note) is amended—

[(1) in subsection (a), by striking ''may conduct a pilot program'' and all that follows through ''may be made by'' and inserting ''may carry out examinations with respect to the medical disability of applicants for benefits under the laws administered by the Secretary through''; and

[(2) in subsection (c), by striking ''the pilot program under''.

[(b) REPEAL OF LIMITATION AND OBSOLETE AUTHORITY.—That section is further amended—

[(1) by striking subsections (b) and (d); and

[(2) by redesignating subsection (c), as amended by subsection (a) of this section, as subsection (b).

[(c) CONFORMING AMENDMENT.—The heading for that section is amended to read as follows:

["SEC. 504. AUTHORITY FOR USE OF CONTRACT PHYSICIANS FOR DISABILITY EXAMINATIONS.".]

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans Health Care Authorities Extension and Improvement Act of 2003''.

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

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—EXTENSION AND MODIFICATION OF CERTAIN HEALTH CARE AUTHORITIES

Sec. 101. Extension and modification of certain health care authorities.
Sec. 102. Enhanced agreement authority for provision of nursing home care and adult day health care in non-Department of Veterans Affairs facilities.
Sec. 103. Expansion of pilot program of Department of Veterans Affairs on assisted living for veterans.
Sec. 104. Improvement of program for provision of specialized mental health services to veterans.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

Subtitle A—Construction Authorities

Sec. 201. Increase in threshold for major medical facility construction projects.
Sec. 202. Demolition of obsolete, dilapidated, and hazardous structures on Department of Veterans Affairs property.

Subtitle B—Construction Authorizations

Sec. 211. Authorization of major medical facility projects.
Sec. 212. Authorization of major medical facility leases.
Sec. 213. Authorization of appropriations.

Subtitle C—Designation of Facilities

Sec. 221. Designation of Department of Veterans Affairs outpatient clinic, Horsham, Pennsylvania.
Sec. 222. Designation of Department of Veterans Affairs health care facility, Chicago, Illinois.
Sec. 223. Designation of Department of Veterans Affairs Medical Center, Houston, Texas.
Sec. 224. Designation of Department of Veterans Affairs Medical Center, Minneapolis, Minnesota.

TITLE III—PERSONNEL MATTERS

Sec. 301. Modification of authority on appointments of personnel in the Veterans Health Administration.
Sec. 302. Coverage of employees of Veterans' Canteen Service under additional employment laws.
Sec. 303. Effective date of modification of treatment for retirement annuity purposes of certain part-time service of certain Department of Veterans Affairs health-care professionals.

TITLE IV—OTHER MATTERS

Subtitle A—Capital Asset Realignment for Enhanced Services Initiative

Sec. 401. Advance notification of capital asset realignment initiative.
Sec. 402. Authorization of major construction projects in connection with capital asset realignment initiative.

Subtitle B—Extension of Other Authorities

Sec. 411. Three-year extension of housing assistance for homeless veterans.
Sec. 412. Four-year extension of evaluation of health status of spouses and children of Persian Gulf War veterans.

Subtitle C—Other Matters

Sec. 421. Modification of eligibility of Filipino veterans for health care in the United States.
Sec. 422. Repeal of limits on terms of certain officials in Office of Under Secretary for Health.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES 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 title 38, United States Code.

TITLE I—EXTENSION AND MODIFICATION OF CERTAIN HEALTH CARE AUTHORITIES

SEC. 101. EXTENSION AND MODIFICATION OF CERTAIN HEALTH CARE AUTHORITIES.

(a) TREATMENT OF NONINSTITUTIONAL EXTENDED CARE SERVICES AS MEDICAL SERVICES.—Section 1701(10)(A) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

(b) REQUIRED NURSING HOME CARE.—Section 1710A(c) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

SEC. 102. ENHANCED AGREEMENT AUTHORITY FOR PROVISION OF NURSING HOME CARE AND ADULT DAY HEALTH CARE IN NON-DEPARTMENT OF VETERANS AFFAIRS FACILITIES.

Section 1720 is amended—

(1) in subsection (c)—

(A) by designating the existing text as paragraph (2); and

(B) by inserting before paragraph (2), as so designated, the following new paragraph (1):

''(1) In furnishing nursing home care, adult day health care, or other extended care services under this section, the Secretary may enter into agreements for furnishing such care or services utilizing such authorities relating to agreements for the provision of services under section 1866 of the Social Security Act (42 U.S.C. 1395cc) as the Secretary considers appropriate.''; and

(2) in subsection (f)(1)(B), by inserting ''or agreement'' after ''contract'' each place it appears.

SEC. 103. EXPANSION OF PILOT PROGRAM OF DEPARTMENT OF VETERANS AFFAIRS ON ASSISTED LIVING FOR VETERANS.

Section 103(b) of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1552; 38 U.S.C. 1710B note) is amended—

(1) by striking ''LOCATION OF PILOT PROGRAM.—'' and inserting ''LOCATIONS OF PILOT PROGRAM.—(1)''; and

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

''(2)(A) In the addition to the health care region of the Department selected for the pilot program under paragraph (1), the Secretary may also carry out the pilot program in not more than one additional designated health care region of the Department selected by the Secretary for purposes of this section.

''(B) Notwithstanding subsection (f), the authority of the Secretary to provide services under the pilot program in a health care region of the Department selected under subparagraph (A) shall cease on the date that is three years after the commencement of the provision of services under the pilot program in the health care region.''.

SEC. 104. IMPROVEMENT OF PROGRAM FOR PROVISION OF SPECIALIZED MENTAL HEALTH SERVICES TO VETERANS.

(a) INCREASE IN FUNDING.—Subsection (c) of section 116 of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1559; 38 U.S.C. 1712A note) is amended—

(1) in paragraph (1), by striking ''$15,000,000'' and inserting ''$25,000,000 in each of fiscal years 2004, 2005, and 2006'';

(2) in paragraph (2), by striking ''$15,000,000'' and inserting ''$25,000,000''; and

(3) in paragraph (3)—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following new subparagraph:

''(B) For purposes of this paragraph, in fiscal years 2004, 2005, and 2006, the fiscal year utilized to determine the baseline amount shall be fiscal year 2003.''.

(b) ALLOCATION OF FUNDS.—Subsection (d) of that section is amended—

(1) by striking ''The Secretary'' and inserting ''(1) In each of fiscal years 2004, 2005, and 2006, the Secretary''; and

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

''(2) In allocating funds to facilities in a fiscal year under paragraph (1), the Secretary shall ensure that—

''(A) not less than $10,000,000 is allocated by direct grants to programs that are identified by the Mental Health Strategic Health Care Group and the Committee on Care of Severely Chronically Mentally Ill Veterans;

''(B) not less than $5,000,000 is allocated for programs on post-traumatic stress disorder; and

''(C) not less than $5,000,000 is allocated for programs on substance abuse disorder.

''(3) The Secretary shall provide that the funds to be allocated under this section during each of fiscal years 2004, 2005, and 2006 are funds for a special purpose program for which funds are not allocated through the Veterans Equitable Resource Allocation system.''.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

Subtitle A—Construction Authorities

SEC. 201. INCREASE IN THRESHOLD FOR MAJOR MEDICAL FACILITY CONSTRUCTION PROJECTS.

Section 8104(a)(3)(A) is amended by striking ''$4,000,000'' and inserting ''$9,000,000''.

SEC. 202. DEMOLITION OF OBSOLETE, DILAPIDATED, AND HAZARDOUS STRUCTURES ON DEPARTMENT OF VETERANS AFFAIRS PROPERTY.

(a) IN GENERAL.—Chapter 81 is amended by adding at the end the following new subchapter:

''SUBCHAPTER VI—OTHER MATTERS

''§ 8171. Demolition of obsolete, dilapidated, and hazardous structures

''(a) ESTABLISHMENT OF FUND.—There is established in the Treasury a fund to be known as the Department of Veterans Affairs Facilities Demolition Fund.

''(b) ELEMENTS OF FUND.—The fund shall consist of the following:

''(1) Amounts authorized to be appropriated to the fund.

''(2) Any other amounts deposited or transferred to the fund by law.

''(c) AVAILABILITY OF AMOUNTS IN FUND.—Subject to the provisions of appropriations Acts, amounts in the fund shall be available to the Secretary for the purpose of the demolition and removal, whether in whole or in part, of obsolete, dilapidated, or hazardous structures on Department property.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 is amended by adding at the end the following:

''SUBCHAPTER VI—OTHER MATTERS

''8171. Demolition of obsolete, dilapidated, and hazardous structures.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Department of Veterans Affairs for fiscal year 2004, $25,000,000 for deposit in the Department of Veterans Affairs Facilities Demolition Fund established by section 8171 of title 38, United States Code, as added by this section.

Subtitle B—Construction Authorizations

SEC. 211. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in an amount not to exceed the amount specified for that project:

(1) Construction of a long-term care facility in Lebanon, Pennsylvania, $14,500,000.

(2) Construction of a long-term care facility in Beckley, West Virginia, $20,000,000.

SEC. 212. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) Lease for the relocation and expansion of a health administration center, Denver, Colorado, in an amount not to exceed $4,080,000.

(2) Lease for an outpatient clinic extension or for sharing of Department of Veterans Affairs and Department of Defense resources, Pensacola, Florida, in an amount not to exceed $3,800,000.

(3) Lease of an outpatient clinic extension, Boston, Massachusetts, in an amount not to exceed $2,879,000.

(4) Lease of a satellite outpatient clinic, Charlotte, North Carolina, in an amount not to exceed $2,626,000.

SEC. 213. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2004—

(1) for the Construction, Major Projects, account, a total of $34,500,000 for the projects authorized in section 211; and

(2) for the Medical Care account, a total of $13,385,000 for the leases authorized in section 212.

(b) LIMITATION.—The projects authorized in section 211 may only be carried out using—

(1) funds appropriated for fiscal year 2004 pursuant to the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2004 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects, for fiscal year 2004 for a category of activity not specific to a project.

Subtitle C—Designation of Facilities

SEC. 221. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, HORSHAM, PENNSYLVANIA.

The Department of Veterans Affairs outpatient clinic located in Horsham, Pennsylvania, shall after the date of the enactment of this Act be known and designated as the ''Victor J. Saracini Department of Veterans Affairs Outpatient Clinic''. Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Victor J. Saracini Department of Veterans Affairs Outpatient Clinic.

SEC. 222. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FACILITY, CHICAGO, ILLINOIS.

The Department of Veterans Affairs health care facility located at 820 South Damen Avenue in Chicago, Illinois, shall after the date of the enactment of this Act be known and designated as the ''Jesse Brown Department of Veterans Affairs Medical Center''. Any reference to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Jesse Brown Department of Veterans Affairs Medical Center.

SEC. 223. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, HOUSTON, TEXAS.

The Department of Veterans Affairs Medical Center in Houston, Texas, shall after the date of the enactment of this Act be known and designated as the ''Michael E. DeBakey Department of Veterans Affairs Medical Center''. Any reference to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Michael E. DeBakey Department of Veterans Affairs Medical Center.

SEC. 224. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, MINNEAPOLIS, MINNESOTA.

The Department of Veterans Affairs Medical Center in Minneapolis, Minnesota, shall after the date of the enactment of this Act be known and designated as the ''Paul Wellstone Department of Veterans Affairs Medical Center''. Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Paul Wellstone Department of Veterans Affairs Medical Center.

TITLE III—PERSONNEL MATTERS

SEC. 301. MODIFICATION OF AUTHORITY ON APPOINTMENTS OF PERSONNEL IN THE VETERANS HEALTH ADMINISTRATION.

Section 7401 is amended—

(1) in paragraph (2), by striking ''Psychologists'' and all that follows through ''dietitians,'' and inserting ''Dietitians,''; and

(2) in paragraph (3)—

(A) by inserting ''other psychologists,'' after ''approved by the Secretary,''; and

(B) by striking ''and occupational therapists'' and inserting ''occupational therapists, kinesiologists, and social workers''.

SEC. 302. COVERAGE OF EMPLOYEES OF VETERANS' CANTEEN SERVICE UNDER ADDITIONAL EMPLOYMENT LAWS.

Section 7802(5) is amended by inserting before the semicolon the following: ''. Employees and personnel under this clause may be considered for appointment in Department positions in the competitive service in the same manner that Department employees in the competitive service are considered for transfer to such positions. An employee or individual appointed as personnel under this clause who is appointed to a Department position under the authority of the preceding sentence shall be treated as having a career appointment in such position once such employee or individual meets the three-year requirement for career tenure (with any previous period of employment or appointment in the Service being counted toward satisfaction of such requirement)''.

SEC. 303. EFFECTIVE DATE OF MODIFICATION OF TREATMENT FOR RETIREMENT ANNUITY PURPOSES OF CERTAIN PART-TIME SERVICE OF CERTAIN DEPARTMENT OF VETERANS AFFAIRS HEALTH-CARE PROFESSIONALS.

(a) EFFECTIVE DATE.—The effective date of the amendment made by section 132 of the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001 (Public Law 107–135; 115 Stat. 2454) shall be as follows:

(1) January 23, 2002, in the case of health care professionals referred to in subsection (c) of section 7426 of title 38, United States Code (as so amended), who retire on or after that date.

(2) The date of the enactment of this Act, in the case of health care professionals referred to in such subsection (c) who retired before January 23, 2002, but after April 7, 1986.

(b) RECOMPUTATION OF ANNUITY.—The Office of Personnel Management shall recompute the annuity of each health-care professional described in the first sentence of subsection (c) of section 7426 of title 38, United States Code (as so amended), who retired before January 23, 2002, but after April 7, 1986, in order to take into account the amendment made by section 132 of the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001. Such recomputation shall be effective only with respect to annuities paid after the date of the enactment of this Act, and shall apply beginning the first day of the first month beginning after the date of the enactment of this Act.

TITLE IV—OTHER MATTERS

Subtitle A—Capital Asset Realignment for Enhanced Services Initiative

SEC. 401. ADVANCE NOTIFICATION OF CAPITAL ASSET REALIGNMENT INITIATIVE.

(a) REQUIREMENT FOR ADVANCE NOTIFICATION.—Before taking any action proposed under the Capital Asset Realignment for Enhanced Services initiative of the Department of Veterans Affairs, the Secretary of Veterans Affairs shall submit to Congress a written notification of the intent to take such action.

(b) LIMITATION.—The Secretary may not take any proposed action described in subsection (a) until the later of—

(1) the expiration of the 60-day period beginning on the date on which the Secretary submits to Congress the notification of the proposed action required under subsection (a); or

(2) the expiration of a period of 30 days of continuous session of Congress beginning on such date of notification or, if either House of Congress is not in session on such date, the first day after such date that both Houses of Congress are in session.

(c) CONTINUOUS SESSION OF CONGRESS.—For the purposes of subsection (b)—

(1) the continuity of session of Congress is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

SEC. 402. AUTHORIZATION OF MAJOR CONSTRUCTION PROJECTS IN CONNECTION WITH CAPITAL ASSET REALIGNMENT INITIATIVE.

(a) AUTHORITY TO CARRY OUT MAJOR CONSTRUCTION PROJECTS.—Subject to subsection (b), the Secretary of Veterans Affairs may carry out major construction projects, and plan for such projects, as outlined in the final report of the Capital Asset Realignment for Enhanced Services Commission and approved by the Secretary.

(b) LIMITATION.—The Secretary may not exercise the authority in subsection (a) until 60 days after the date of the submittal of the report required by subsection (c).

(c) REPORT ON PROPOSED MAJOR CONSTRUCTION PROJECTS.—(1) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report describing the major construction projects the Secretary proposes to carry out in connection with the Capital Asset Realignment for Enhanced Services initiative.

(2) The report shall list each proposed major construction project in order of priority, with such priority determined in the order as follows:

(A) The use of the facility to be constructed or altered as a replacement or enhancement facility necessitated by the loss, closure, or other divestment of major infrastructure or clinical space at a Department of Veterans Affairs medical facility currently in operation, as determined by the Secretary.

(B) The use of such facility to provide tertiary and acute care services to a population that is determined under the Capital Asset Realignment for Enhanced Services initiative to be in need of such facility and not currently served by such facility.

(C) The use of such facility as an outpatient clinic to provide basic care services to a population of veterans in need of such services, as determined by the Secretary.

(D) The need for such facility to further an enhanced-use lease or sharing agreement.

(E) Any other factors that the Secretary considers to be of importance in providing care to eligible veterans.

(3) In developing the list of projects and according a priority to each project, the Secretary should consider the importance of allocating available resources equitably among the regional health care networks of the Department and take into account recent shifts in populations of veterans among such regional health care networks.

(d) MULTIYEAR CONTRACT AUTHORITY.—To the extent that funds are otherwise available for obligation, the Secretary may enter into a multiyear contract for a major construction project under this section. The period of such a multiyear contract may not exceed five program years. If a multiyear contract under this subsection is not fully funded when entered into, the contract shall provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and may provide for a cancellation payment to be made to the contractor if such appropriations are not made.

(e) FUNDING.—To carry out major construction projects under the Capital Asset Realignment for Enhanced Services initiative, the Secretary may use any combination of funds appropriated for such initiative and funds available to the Secretary for major construction.

(f) MAJOR CONSTRUCTION PROJECT DEFINED.—In this section, the term ''major construction project'' means a major medical facility project, as that term is defined in section 8104(a)(3)(A) of title 38, United States Code, as amended by section 201 of this Act.

Subtitle B—Extension of Other Authorities

SEC. 411. THREE-YEAR EXTENSION OF HOUSING ASSISTANCE FOR HOMELESS VETERANS.

Section 2041(c) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2006''.

SEC. 412. FOUR-YEAR EXTENSION OF EVALUATION OF HEALTH STATUS OF SPOUSES AND CHILDREN OF PERSIAN GULF WAR VETERANS.

Section 107(b) of the Persian Gulf War Veterans' Benefits Act (title I of Public Law 103–446; 38 U.S.C. 1117 note) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2007''.

Subtitle C—Other Matters

SEC. 421. MODIFICATION OF ELIGIBILITY OF FILIPINO VETERANS FOR HEALTH CARE IN THE UNITED STATES.

The text of section 1734 is amended to read as follows:

''(a) The Secretary shall, within the limits of Department facilities, furnish hospital and nursing home care and medical services to an individual described in subsection (b) in the same manner as provided for under section 1710 of this title.

''(b) An individual described in this subsection is any individual who is residing in the United States and is a citizen of, or an alien lawfully admitted for permanent residence in, the United States as follows:

''(1) A Commonwealth Army veteran.

''(2) A new Philippine Scout.''.

SEC. 422. REPEAL OF LIMITS ON TERMS OF CERTAIN OFFICIALS IN OFFICE OF UNDER SECRETARY FOR HEALTH.

Section 7306 is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

Amend the title to read as follows: ''A bill to amend title 38, United States Code, to improve and enhance the provision of long-term health care for veterans by the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, to authorize major construction projects for the Department of Veterans Affairs, and for other purposes.''.

Mr. SPECTER. Madam President, I have sought recognition today to explain briefly the provisions of S. 1156, the proposed Veterans Health Care, Capital Asset, and Business Improvement Act of 2003, as the ranking member of the Committee on Veterans Affairs, Senator GRAHAM of Florida, and I propose be amended to incorporate provisions contained in S. 1156 as reported by the Committee on Veterans Affairs on November 10, 2003, and also to contain provisions derived from H.R. 1720, passed by the House on October 29, 2003, H.R. 2357, passed by the House on July 21, 2003, H.R. 2433, passed by the House on September 10, 2003, H.R. 3260, passed by the House on October 8, 2003, and H.R. 3387, passed by the House October 29, 2003.

This bill, as so amended, incorporates agreements reached between the Senate Committee on Veterans' Affairs, which I am privileged to chair, and our counterpart committee in the House of Representatives, on legislation relating to the provision of health care services by the Department of Veterans Affairs. I thank the Ranking Member, Senator GRAHAM of Florida, and the Chairman and Ranking Member of the House Committee on Veterans Affairs, Representative CHRIS SMITH of New Jersey and Representative LANE EVANS of Illinois, for their advocacy for veterans and for their cooperation in resolving issues raised by the bills considered in our respective bodies. Inasmuch as S. 1156, as reported by the Committee on Veterans' Affairs, itself incorporated provisions drawn from nine separate Senate bills, S. 1156 as presented to the Senate today is properly viewed as a bill that incorporates provisions from 14 separate pieces of legislation. A bill containing such a range of material would not have been knitted together, as this one has been, without a spirit of cooperation and bipartisanship from the other body. The Ranking Member, Senator GRAHAM of Florida, and I appreciate the leadership of the House Committee on Veterans Affairs.

Since this is a lengthy bill—over 50 pages—I will not endeavor in this statement to explain in detail each and every provision. Rather, I will discuss the highlights briefly in this statement, and refer my colleagues to a Joint Explanatory Statement, which I ask be incorporated into the RECORD as if read, for a detailed explanation of the bill as amended.

The starting point for S. 1156, as presented to the Senate today, was S. 1156, the proposed Veterans' Health Care Authorities Extension and Improvement Act of 2003. That bill was marked up by the Senate Committee on Veterans' Affairs on September 30, 2003, and reported on November 10, 2003. S. 1156, as reported, contained a number of elements; its key provisions would have extended mandates that VA provide nursing home care and outpatient-based long term care services to our senior veterans; improved VA assisted living and mental health programs; modified VA personnel provisions relating to non-physician providers of healthcare services and employees of VA's Veterans Canteen Service; and authorized major medical facility projects and projects related to VA's Capital Assets Realignment for Enhanced Services, CARES, initiative. Each and all of these provisions, with some modifications as appropriate, are contained in S. 1156 as presented to the Senate today.

The major change between the bill, as reported, and the current bill is the addition of provisions contained in House-passed legislation. House-approved provisions incorporated into the bill would allow radiation-exposed veterans higher priority access to VA

health care; exempt former prisoners-of-war from pharmaceutical copayments; create in VA an Office of Research Oversight; authorize VA to allow ''Saturday premium pay'' to licensed practical nurses and nursing assistants; and authorize additional needed VA construction projects. All of these added provisions are constructive and useful.

I ask that my colleagues in the Senate approve this legislation. It is good bipartisan legislation that is supported by VA's extraordinary Secretary, the Honorable Anthony J. Principi, and by the major veterans service organizations.

I ask unanimous consent that the Joint Explanatory Statement that accompanies my statement today be printed in the RECORD.

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

EXPLANATORY STATEMENT ON S. 1156, AS AMENDED—VETERANS HEALTH CARE, CAPITAL ASSET, AND BUSINESS IMPROVEMENT ACT OF 2003

S. 1156, as amended, the Veterans Health Care, Capital Asset, and Business Improvement Act of 2003, (hereinafter, ''Compromise Agreement'') reflects a negotiated agreement reached by the Senate and House of Representatives Committees on Veterans' Affairs concerning provisions in a number of bills considered by the House and Senate during the 1st session of the 108th Congress. The measures considered in this compromise are: S. 1156, as amended, as reported by the Senate Committee on Veterans' Affairs on November 10, 2003 (hereinafter, ''Senate bill''); S. 1815 introduced on November 4, 2003; H.R. 2357, as amended, passed the House on July 21, 2003; H.R. 2433, as amended, passed the House on September 10, 2003; H.R. 1720, as amended, passed the House on October 29, 2003; H.R. 3260, as introduced in the House on October 8, 2003; and H.R. 3387, as introduced in the House on October 29, 2003 (hereinafter, ''House bills'').

The House and Senate Committees on Veterans' Affairs have prepared the following explanation of the Compromise Agreement. Differences between the provisions contained in the Compromise Agreement and the related provisions of the Senate bill and the House bills are noted, except for clerical corrections, conforming changes made necessary by the Compromise Agreement, and minor drafting, technical, and clarifying changes.

TITLE I—HEALTH CARE AUTHORITIES AND RELATED MATTERS

IMPROVED BENEFITS FOR FORMER PRISONERS OF WAR

Current Law

Section 1712 of title 38, United States Code, authorizes outpatient dental services and related dental appliances to veterans who are former prisoners of war (POWs) if they were detained or interned for a period of at least 90 days.

Section 1722A of title 38, United States Code, requires veterans who are not service-connected with a disability rated at more than 50 percent or eligible for pensions under section 1521 of title 38, United States Code, to make copayments for medications.

Senate Bill

The Senate bill contains no comparable provisions.

House Bill

Section 3 of H.R. 3260 would authorize veterans who are former POWs to receive outpatient dental care, irrespective of the number of days held captive, and would exempt former POWs from the requirement to make copayments on outpatient prescription medications.

Compromise Agreement

Section 101 of the Compromise Agreement follows the House language.

PROVISION OF HEALTH CARE TO VETERANS WHO PARTICIPATED IN CERTAIN DEPARTMENT OF DEFENSE CHEMICAL AND BIOLOGICAL WARFARE TESTING

Current Law

There is no comparable provision in current law.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 2 of H.R. 2433, as amended, would authorize the Department of Veterans Affairs (hereinafter ''VA'' or ''Department'') to provide higher priority health care to veterans who participated in Project Shipboard Hazard and Defense (SHAD), Project 112 or related land-based tests conducted by the Department of Defense Desert Test Center, from 1962 through 1973, without those veterans needing an adjudicated service-connected disability to establish their priority for care.

Compromise Agreement

Section 102 of the Compromise Agreement follows the House language.

ELIGIBILITY FOR DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FOR CERTAIN FILIPINO WORLD WAR II VETERANS RESIDING IN THE UNITED STATES

Current Law

Section 1734 of title 38, United States Code, establishes that veterans of the Commonwealth Army and New Philippine Scouts residing legally in the United States are eligible for VA health care services for the treatment of service-connected disabilities and, in the case of Commonwealth Army veterans, for non service-connected conditions if they are in receipt of disability compensation.

Senate Bill

Section 421 of the Senate bill contains a similar provision.

House Bill

Section 3 of H.R. 2357, as amended, would authorize VA health care for additional World War II Filipino veterans who reside legally in the United States. These veterans of the Commonwealth Army and New Philippine Scouts, would be subject to the same eligibility and means test requirements as U.S. veterans. The House bill would require the Secretary of Veterans Affairs (hereinafter, ''Secretary'') to certify each fiscal year that sufficient resources are available at the VA health care facilities where the majority of these veterans would seek care.

Compromise Agreement

Section 103 of the Compromise Agreement follows the House language, except the Compromise Agreement does not include the resource availability certification requirement.

ENHANCEMENT OF REHABILITATIVE SERVICES

Current Law

Chapter 31 of title 38 authorizes VA to provide vocational rehabilitation services. VA is authorized under chapter 17 of title 38 to offer medical care and compensated work therapy to certain veterans.

Senate Bill

The Senate bill contains no comparable provisions.

House Bill

Section 3 of H.R. 3387 would authorize the Secretary to provide therapeutic employment support services (i.e., skills training and development services, employment support services, and job development and placement services) to patients in need of rehabilitation for mental health disorders, including serious mental illness and substance use disorders.

Section 3 of H.R. 3387 would also authorize VA to use funds in the Special Therapeutic and Rehabilitation Activities Fund (STRAF) authorized under section 1718(c) of title 38, United States Code, to furnish such therapeutic employment support services.

Compromise Agreement

Section 104 of the Compromise Agreement follows the House language.

ENHANCED AGREEMENT AUTHORITY FOR PROVISION OF NURSING HOME CARE AND ADULT DAY HEALTH CARE IN CONTRACT FACILITIES

Current Law

Section 1720 of title 38, United States Code, authorizes VA to contract for the provision of nursing home care and adult day health care for certain veterans and members of the Armed Forces.

Senate Bill

Section 102 of the Senate bill would expand VA's authority to enter into relationships based upon ''provider agreements'' with Centers for Medicare and Medicaid Services (CMS)-certified, small, community-based nursing homes and non-institutional extended care providers, by permitting VA to use provider agreements similar to those used by CMS.

House Bill

The House bills contain no comparable provision.

Compromise Agreement

Section 105 of the Compromise Agreement generally follows the Senate language.

FIVE-YEAR EXTENSION OF PERIOD FOR PROVISION OF NONINSTITUTIONAL EXTENDED-CARE SERVICES AND REQUIRED NURSING HOME CARE

Current Law

Section 1701(10)(A) of title 38, United States Code, requires VA to provide noninstitutional extended care services to enrolled veterans. In addition, section 1710A(c) of title 38, United States Code, requires VA to provide nursing home care to high-priority veterans in need of care.

Senate Bill

Section 101 of the Senate bill would extend the authorities for noninstitutional extended care and required nursing home care through December 31, 2008.

House Bill

Section 2 of H.R. 3260 would extend the authorities for the noninstitutional extended care services and required nursing home care to December 31, 2008. The report required under section 101 of Public Law 106–117 would be extended until January 1, 2008.

Compromise Agreement

Section 106 of the Compromise Agreement follows the House language from subsection 2(a) and (b) of H.R. 3260.

EXPANSION OF DEPARTMENT OF VETERANS AFFAIRS PILOT PROGRAM ON ASSISTED LIVING FOR VETERANS

Current Law

Section 103(b) of Public Law 106–117 authorizes the establishment of a pilot program in one VA geographic health care region to provide assisted living services to veterans.

Senate Bill

Section 103 of the Senate bill would authorize the establishment of one additional

assisted living pilot program for three years from the commencement of the provision of assisted living services under the program.

House Bill

The House bills contain no comparable provision.

Compromise Agreement

Section 107 of the Compromise Agreement follows the Senate language.

IMPROVEMENT OF PROGRAM FOR PROVISION OF SPECIALIZED MENTAL HEALTH SERVICES TO VETERANS

Current Law

Section 116(c) of Public Law 106–117 provides funding in the amount of $15,000,000 for specialized mental health services in fiscal years 2004, 2005 and 2006.

Senate Bill

Section 104 of the Senate bill would increase the funding authorization for these specialized mental health services from $15,000,000 to $25,000,000, and would specify allocation of these funds outside the Veterans Equitable Resource Allocation system.

House Bill

The House bills contain no comparable provisions.

Compromise Agreement

Section 108 of the Compromise Agreement follows the Senate language.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

Subtitle A—Program Authorities

INCREASE IN THRESHOLD FOR MAJOR MEDICAL FACILITY CONSTRUCTION PROJECTS

Current Law

Section 8104(a)(3) of title 38, United States Code, defines a major medical facility project as a project for construction, alteration, or acquisition of a medical facility involving a total expenditure of more than $4,000,000.

Senate Bill

Section 201 of the Senate bill would raise the threshold for major medical facility projects from $4,000,000 to $9,000,000.

House Bill

Section 7 of H.R. 1720, as amended, would raise the threshold for major medical facility projects from $4,000,000 to $6,000,000.

Compromise Agreement

Section 201 of the Compromise Agreement would raise the threshold for major medical facility projects from $4,000,000 to $7,000,000.

ENHANCEMENTS TO ENHANCED-USE LEASE AUTHORITY

Current Law

Section 8162 of title 38, United States Code, authorizes the Secretary to enter into enhanced-use leases of Veterans Health Administration (VHA) real property under the jurisdiction of the Secretary.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 4 of H.R. 3260 would extend the jurisdiction of this authority to the Veterans Benefits Administration (VBA) and National Cemetery Administration (NCA), for properties of these Administrations under the control of the Secretary. Further, the bill would streamline the process and notification requirements and allow proceeds from an enhanced-use lease to be credited to accounts for use by VHA, VBA or NCA as appropriate. The bill would allow individual VA facilities to be reimbursed for the expenses incurred by the development and execution of enhanced-use leases.

Compromise Agreement

Section 202 of the Compromise Agreement adopts the provisions of the House bill which streamline the approval process for enhanced use leases in VHA. The provisions concerning the expansion of this authority to properties of NCA and VBA have been omitted due to mandatory spending concerns.

SIMPLIFICATION OF ANNUAL REPORT ON LONG-RANGE HEALTH PLANNING

Current Law

Section 8107 of title 38, United States Code, requires VA to submit annually a report regarding the long-range health planning of the Department. Included in that report is a five-year strategic plan for the provision of health care services to veterans, a plan for the coordination of care among the geographic health care regions of the Department, a profile of each such region, any planned changes to the mission of any medical facility of the Department, and a listing of the 20 VA major medical facility projects with the highest priority.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 7(d) of H.R. 3260 would change the report date on the Annual Report on Long-Range Health Planning to June 1 of each year.

Compromise Agreement

Section 203 of the Compromise Agreement rescinds section 8107(b)(3) and (4) of title 38, United States Code, to simplify the required report by removing the detailed prescription of its content.

Subtitle B—Project Authorizations

AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS

Current Law

Section 8104(2) of title 38, United States Code, requires Congressional authorization of any VA major medical facility construction project.

Senate Bill

Section 211 of the Senate bill, as reported, would authorize the following major construction projects:

Location	Purpose	Cost
Lebanon, PA	New Long-Term Care Facility	$14,500,000
Beckley, WV	New Long-Term Care Facility	20,000,000

House Bill

Section 3 of H.R. 1720, as amended, would authorize the following major construction projects:

Location	Purpose	Cost
Chicago, IL	New Inpatient Bed Tower	$98,500,000
San Diego, CA	Seismic Corrections, Building 1.	48,600,000
West Haven, CT	Renovate Inpatient Wards & Consolidate Medical Research Facilities.	50,000,000
Columbus, OH	New Medical Facility	90,000,000
Pensacola, FL	New VA-Navy Joint Venture Outpatient Clinic.	45,000,000

Compromise Agreement

Section 211 of the Compromise Agreement authorizes the major construction projects for Lebanon, Pennsylvania; Beckley, West Virginia; Chicago, Illinois; San Diego, California; West Haven, Connecticut; and Pensacola, Florida.

AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES

Current Law

Section 8104 of title 38, United States Code, requires Congressional authorization of any VA medical facility lease with an annual lease payment of more than $600,000.

Senate Bill

Section 212 of the Senate bill, as reported, would authorize the following leases:

Location	Purpose	Cost
Denver, CO	Relocate Health Administration Center.	$4,080,000
Pensacola, FL	Relocate Outpatient Clinic	3,800,000
Boston, MA	Extend Outpatient Clinic	2,879,000
Charlotte, NC	Relocate Outpatient Clinic	2,626,000

House Bill

Section 3 of H.R. 1720, as amended, would authorize the following leases:

Location	Purpose	Cost
Charlotte, NC	Outpatient Clinic	$3,000,000
Clark County, NV	Multi-specialty Outpatient Clinic.	6,500,000
Aurora, CO	Regional Federal Medical Center.	30,000,000

Compromise Agreement

Section 212 of the Compromise Agreement authorizes the leases for Charlotte, North Carolina, and Boston, Massachusetts.

The Compromise Agreement contains the provision of Section 211 of H.R. 1720, as amended, to authorize a major construction project for Pensacola, Florida. It was determined that no lease authority for the Pensacola site was necessary. Further, the Compromise Agreement would not authorize a lease supporting relocation and expansion of the Health Administration Center (HAC) in Denver, Colorado. The Committees believe the Department has not justified the continuing expansion of activities at the HAC. The Committees are concerned that this administrative function, originally authorized to process reimbursement claims for the Civilian Health and Medical Program for the VA (CHAMPVA), has inflated its activities well beyond its original responsibilities. The Committees urge VA to reconsider whether the long-term obligation of leased space and the significant growth of staff at the HAC, as opposed to other methods of accomplishing these various tasks, are warranted.

The Compromise Agreement generally follows the Senate language on the Regional Federal Medical Center lease at the former Fitzsimons Army Medical Center in Aurora, Colorado, pending a decision by the Secretaries of Veterans Affairs and Defense on the nature of any joint venture undertaking at the site. However, advance planning is authorized for this project under section 213 of the Compromise Agreement.

ADVANCE PLANNING AUTHORIZATIONS

Current Law

Section 8104(2) of title 38, United States Code, requires Congressional authorization of all VA major medical facility construction project.

Senate Bill

The Senate bill contains no similar provisions.

House Bill

Section 3 of H.R. 1720, as amended, would authorize major construction projects in Columbus, Ohio; Denver (Aurora), Colorado; and the lease of a Multi-specialty Outpatient Clinic in Clark County (Las Vegas), Nevada.

Compromise Agreement

Section 213 of the Compromise Agreement authorizes advance planning funds for fiscal year 2004 for purposes of developing new medical facilities at the following locations:

Location	Purpose	Cost
Columbus, OH	Advance Planning	$9,000,000
Las Vegas, NV	Advance Planning	25,000,000
Pittsburgh, PA	Advance Planning	9,000,000
Denver (Aurora), CO	Advance Planning	26,000,000
East Central Florida	Advance Planning	17,500,000

The Committees concluded these projects, while warranted, require further development. The Committees believe these projects should be considered high priorities from VA's ongoing review of future health care infrastructure needs, the Capital Asset Realignment for Enhanced Services (CARES) initiative.

Given VA's documented plan to pursue significant capital investments and improvements in health care infrastructure and the Committees' understanding that the Appropriations Committees of the House and Senate are hesitant to provide funds for new VA medical facility construction prior to the completion of the CARES process, the Compromise agreement authorizes $86,500,000 to allow for planning of projects at these sites.

AUTHORIZATION OF APPROPRIATIONS

Current Law

Section 8104(2) of title 38, United States Code, requires Congressional authorization of appropriations for VA major medical facility projects.

Senate Bill

Section 213 of the Senate bill would authorize $34,500,000 for fiscal year 2004 for projects authorized and $4,984,000 for the leases authorized by this bill.

House Bill

Section 3 of H.R. 1720, as amended, would authorize $332,100,000 to be appropriated in fiscal year 2004 for the projects authorized by this bill.

Compromise Agreement

Section 214 of the Compromise Agreement authorizes $276,600,000 for fiscal year 2004 for the major construction projects authorized in section 211 of the Compromise Agreement. In addition, section 214 of the Compromise Agreement authorizes the appropriation of $86,500,000 for advanced planning projects identified in section 213 of the Compromise Agreement.

Subtitle C—Capital Asset Realignment for Enhanced Services Initiative

AUTHORIZATION OF MAJOR CONSTRUCTION PROJECTS IN CONNECTION WITH CAPITAL ASSET REALIGNMENT INITIATIVE

Current Law

Section 8104(2) of title 38, United States Code, requires Congressional authorization of all VA major medical facility projects.

Senate Bill

Section 402 of the Senate bill would authorize the Secretary to carry out major construction projects outlined in the final report on the CARES initiative. This authority would be subject to a 60–day advance notification to Congress. The Secretary would be required to submit a list containing each major project in order of priority, based on the criteria specified in the bill. The bill also would add a provision authorizing multi-year contract authority for major construction projects.

House Bill

The House bills contain no comparable provisions.

Compromise Agreement

Section 221 of the Compromise Agreement follows the Senate language with modifications. The Compromise Agreement would require a 45–day advance notification to Congress prior to carrying out major medical facility construction projects selected by the Secretary. The Secretary would be required to submit a one-time report to Congress by February 1, 2004, that lists each proposed major construction project in order of priority. The Compromise Agreement establishes these priorities as follows: (a) to replace or enhance a facility necessitated by the loss, closure or other divestment of a VA medical facility currently in operation; (b) to remedy life-safety deficiencies, including seismic, egress, and fire deficiencies; (c) to provide health care services to an underserved population; (d) to renovate or modernize facilities, including providing barrier free design, improving building systems and utilities, or enhancing clinical support services; (e) to further an enhanced-use lease or sharing agreement; and (f) to give the Secretary discretion to select other projects of importance in providing care to veterans.

The authority to enter into any major medical facility construction contracts for projects selected under the authority of section 221 of the Compromise Agreement would expire on September 30, 2006.

ADVANCE NOTIFICATION OF CAPITAL ASSET REALIGNMENT ACTIONS

Current Law

There is no comparable provision in current law.

Senate Bill

Section 401 of the Senate bill would require the Secretary to provide Congress a 60–day advance notification of any actions proposed by the Department under the CARES initiative.

House Bill

The House bills contain no comparable provisions.

Compromise Agreement

Section 222 of the Compromise Agreement follows the Senate language with modifications. VA would be required to notify Congress in writing of actions under the CARES initiative that would result in medical facility closures, significant staff realignments or medical facility consolidations. The Compromise Agreement would prohibit such actions for 60 days (or 30 days of continuous session of Congress) after such notifications are made.

SENSE OF CONGRESS AND REPORT ON ACCESS TO HEALTH CARE FOR VETERANS IN RURAL AREAS.

Current Law

There is no comparable provision in current law.

Compromise Agreement

Section 223 of the Compromise Agreement would express the sense of Congress recognizing the difficulties in access to VA health care faced by veterans residing in rural areas and require VA to report to the Committees on Veterans' Affairs with a plan of action to improve access to health care for veterans residing in rural areas. A report of VA's plan to improve access to health care for these veterans would be due not later than 120 days after the date of enactment of this Act.

Subtitle D—Plans for New Facilities

PLANS FOR HOSPITAL CARE FACILITIES IN SPECIFIED AREAS

Current Law

There is no comparable provision in current law.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 6 of H.R. 1720, as amended, would require the Secretary to develop plans for meeting the future hospital care needs of veterans who reside in a number of counties of southern New Jersey and far southern counties of Texas, with a report to the Committees by January 31, 2004.

Compromise Agreement

Section 231 of the Compromise Agreement follows the House language and would add a requirement for plans for the Florida Panhandle and North Central Washington. The due date of the report required would be adjusted in section 231 of the Compromise Agreement to April 15, 2004.

STUDY AND REPORT ON FEASIBILITY OF COORDINATION OF VETERANS HEALTH CARE SERVICES IN SOUTH CAROLINA WITH NEW UNIVERSITY MEDICAL CENTER

Current Law

There is no comparable provision in current law.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 8 of H.R. 1720, as amended, would require the Secretary to conduct a feasibility study in coordination with the Medical University of South Carolina and in consultation with the Secretary of Defense, to consider establishing a joint health-care venture to deliver inpatient, outpatient and/or long-term care to veterans, military personnel, and other beneficiaries who reside in Charleston, South Carolina, with a report to the Committees by March 31, 2004.

Compromise Agreement

Section 232 of the Compromise Agreement follows the House language and adjusts the due date of the report to April 15, 2004.

Subtitle E—Designation of Facilities

DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, PRESCOTT, ARIZONA, AS THE BOB STUMP DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Current Law

Section 531 of title 38, United States Code, requires a Department facility, structure or real property to be named after the geographic area in which the facility, structure or real property is located, except as expressly provided by law.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 8 of H.R. 3260 would name the VA Medical Center in Prescott, Arizona, the ''Bob Stump Department of Veterans Affairs Medical Center.''

Compromise Agreement

Section 241 of the Compromise Agreement follows the House language.

DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FACILITY, CHICAGO, ILLINOIS, AS THE JESSE BROWN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Current Law

Section 531 of title 38, United States Code, requires a Department facility, structure or real property to be named after the geographic area in which the facility, structure or real property is located, except as expressly provided by law.

Senate Bill

Section 222 of the Senate bill contains a similar provision.

House Bill

Section 9 of H.R. 1720, as amended, would name the VA Chicago Health Care System, West Side Division, the ''Jesse Brown Department of Veterans Affairs Medical Center.''

Compromise Agreement

Section 242 of the Compromise Agreement contains this provision.

DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, HOUSTON, TEXAS, AS THE MICHAEL E. DEBAKEY DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Current Law

Section 531 of title 38, United States Code, requires a Department facility, structure or

real property to be named after the geographic area in which the facility, structure or real property is located, except as expressly provided by law.

Senate Bill

Section 223 of the Senate bill would name the VA Medical Center located in Houston, Texas, the ''Michael E. DeBakey Department of Veterans Affairs Medical Center.''

House Bill

The House bills contain no comparable provision.

Compromise Agreement

Section 243 of the Compromise Agreement follows the Senate language.

DESIGNATION OF THE DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, SALT LAKE CITY, UTAH, AS THE GEORGE E. WAHLEN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Current Law

Section 531 of title 38, United States Code, requires a Department facility, structure or real property to be named after the geographic area in which the facility, structure or real property is located, except as expressly provided by law.

Senate Bill

S. 1815 would name the VA Medical Center located in Salt Lake City, Utah, the ''George E. Wahlen Department of Veterans Affairs Medical Center.''

House Bill

The House bills contain no comparable provision.

Compromise Agreement

Section 244 of the Compromise Agreement follows the Senate language.

DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, NEW LONDON, CONNECTICUT

Current Law

Section 531 of title 38, United States Code, requires a Department facility, structure or real property to be named after the geographic area in which the facility, structure or real property is located, except as expressly provided by law.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 10 of H.R. 1720, as amended, would name the outpatient clinic located in New London, Connecticut, the ''John J. McGuirk Department of Veterans Affairs Outpatient Clinic.''

Compromise Agreement

Section 245 of the Compromise Agreement follows the House language.

DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, HORSHAM, PENNSYLVANIA

Current Law

Section 531 of title 38, United States Code, requires a Department facility, structure or real property to be named after the geographic area in which the facility, structure or real property is located, except as expressly provided by law.

Senate Bill

Section 221 of the Senate bill, as reported, would name the VA Outpatient Clinic located in Horsham, Pennsylvania, the ''Victor J. Saracini Department of Veterans Affairs Outpatient Clinic.''

House Bill

The House bills contain no comparable provision.

Compromise Agreement

Section 246 of the Compromise Agreement follows the Senate language.

TITLE III—PERSONNEL MATTERS

MODIFICATION OF CERTAIN AUTHORITIES ON APPOINTMENT AND PROMOTION OF PERSONNEL IN THE VETERANS HEALTH ADMINISTRATION

Current Law

Section 7401 of title 38, United States Code, authorizes VA to appoint medical care personnel, under title 5, United States Code, or title 38, United States Code, depending on the duties of such personnel.

Senate Bill

Section 301 of the Senate bill would modify title 38 to authorize the appointment of psychologists, kinesiologists and social workers, under title 38 provisions as opposed to title 5 provisions.

House Bill

The House bills contain no comparable provisions.

Compromise Agreement

Section 301 of the Compromise Agreement follows the Senate language with modifications.

The Compromise agreement reflects two important policy goals. First, VA will be permitted to hire clinical staff in a timely fashion through use of the direct appointment authority provided in title 38, United States Code. Second, employee representatives will be afforded an opportunity to participate in a dialogue and process with VA management to determine the best system under which to promote the clinicians appointed under this section.

The Committees believe that VA management and the promotion policy for clinical staff can benefit from interactions with employee representatives. The Committees would allow the Secretary the discretion to develop a system for judging the merits of an individual's advancement in VA, provided that the Secretary reports to the Committees the actions taken under this authority.

APPOINTMENT OF CHIROPRACTORS IN THE VETERANS HEALTH ADMINISTRATION

Current Law

Public Law 107–135 requires VA to establish a Veterans Health Administration-wide program for chiropractic care.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 2 of H.R. 2357, as amended, would authorize VA appointment of chiropractors under title 38, United States Code. The House bill would establish the qualifications of appointees, the period of appointments and promotions, set grades and pay scales, provide temporary and part-time appointments, authorize residencies and internships, extend malpractice and negligence protection coverage, define chiropractors as scarce medical specialists for contracting purposes, authorize reimbursement of continuing professional education expenses, and exempt chiropractors from collective bargaining, consistent with the provisions in chapter 74 of title 38, the United States Code. The bill would provide for an effective date of 180 days from enactment.

Compromise Agreement

Section 302 of the Compromise Agreement follows the House language with modifications that would redefine ''medical care'' occupations as ''health care'' occupations and eliminate provisions that would provide for residencies and internships and reimbursement of continuing professional education expenses.

ADDITIONAL PAY FOR SATURDAY TOURS OF DUTY FOR ADDITIONAL HEALTH CARE WORKERS IN THE VETERANS HEALTH ADMINISTRATION

Current Law

Title 38, United States Code, specifies in sections 7453 and 7454 that nurses, physician assistants, and expanded-function dental auxiliaries are entitled to additional pay for working regular tours of duty of Saturdays. Under this authority, respiratory therapists, physical therapists, practical or vocational nurses, pharmacists and occupational therapists are also entitled to additional pay for Saturday tours, if the Secretary determines it is necessary in order to hire and retain these health care professionals.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 4 of H.R. 2433, as amended, would amend section 7454 (b) of title 38, United States Code, to authorize premium pay for Saturday tours of duty for additional VHA health care workers.

Compromise Agreement

Section 303 of the Compromise Agreement follows the House language.

COVERAGE OF EMPLOYEES OF VETERANS' CANTEEN SERVICE UNDER ADDITIONAL EMPLOYMENT LAWS

Current Law

Section 7802 of title 38, United States Code, authorizes appointment of Veterans' Canteen Service (VCS) employees.

Senate Bill

Section 302 of the Senate bill contains a similar provision.

House Bill

Section 5 of H.R. 2433, as amended, would authorize hourly workers of VCS to be qualified for competitive title 5, United States Code, appointments in VA in recognition of time-in service obtained in the VCS.

Compromise Agreement

Section 304 of the Compromise Agreement contains this provision.

TITLE IV—OTHER MATTERS

OFFICE OF RESEARCH OVERSIGHT IN VETERANS HEALTH ADMINISTRATION

Current Law

There is no similar provision in current law.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 11 of H.R. 1720, as amended, would add a new section 7307 to title 38, United States Code, to establish an Office of Research Oversight within the Veterans Health Administration to monitor, review and investigate matters of medical research compliance and assurance in VA, including matters relating to the protection and safety of human subjects, research animals and VA employees participating in VA medical research programs. The bill would require an annual report to the Committees on Veterans' Affairs of the Senate and House of Representatives on the activities of the Office of Research Oversight during the preceding calendar year and require that the activities of the Office of Research Oversight be funded from amounts appropriated for VA medical care.

Further, under the bill, the General Accounting Office (GAO) would be required to submit a report to Congress not later than January 1, 2006, on the results of the establishment of the Office of Research Oversight

and any recommendations for other legislative and administrative actions. Finally, the Secretary would be required to submit a report to Congress setting forth the Department's implementation of the requirement to establish an Office of Research Oversight, and related provisions, not later than 180 days after the date of enactment.

Compromise Agreement

Section 401 of the Compromise Agreement follows the House language with modifications that would not include references to animal welfare, research animals and laboratory animals. Section 7307(c)(2)(A) of title 38, United States Code, referencing peer review responsibilities would also not be included in the Compromise Agreement, along with the required reports from GAO and the Secretary.

ENHANCEMENT OF AUTHORITIES RELATING TO NONPROFIT RESEARCH CORPORATIONS

Current Law

Sections 7361 through 7366 of title 38, United States Code, establish the authority for VA's Nonprofit Research Corporations. Section 7368 of title 38, United States Code, provides that no such corporations may be established after December 31, 2003.

Senate Bill

The Senate bill contains no comparable provisions.

House Bill

Section 6 of H.R. 3260 would cover employees of Nonprofit Research Corporations under the Federal Tort Claims Act and would extend the authority to create new Nonprofit Research Corporations through December 31, 2008.

Compromise Agreement

Section 402 of the Compromise Agreement follows the House language.

DEPARTMENT OF DEFENSE PARTICIPATION IN REVOLVING SUPPLY FUND PURCHASES

Current Law

Section 8121 of title 38, United States Code, establishes authority for VA to use a revolving supply fund to operate and maintain its supply system.

Senate Bill

The Senate bill contains no comparable provision.

House Bill

Section 5 of H.R. 3260 would extend authority to the Secretary of Defense to purchase medical equipment, services and supplies through VA's revolving supply fund beginning in fiscal year 2004. The Department of Defense (DoD) would be required to reimburse VA's revolving supply fund using DoD appropriations.

Compromise Agreement

Section 403 of the Compromise Agreement follows the House language.

FIVE-YEAR EXTENSION OF HOUSING ASSISTANCE FOR HOMELESS VETERANS

Current Law

Section 2041(c) of title 38, United States Code, authorizes the Secretary to enter into housing assistance agreements for homeless veterans until December 31, 2003.

Senate Bill

Section 411 of the Senate bill would extend the authority of the Secretary to enter into housing assistance agreements through December 31, 2006.

House Bill

Section 6 of H.R. 3387 would extend the authority of the Secretary to enter into housing assistance agreements until December 31, 2008.

Compromise Agreement

Section 404 of the Compromise Agreement follows the House language.

REPORT DATE CHANGES

Current Law

Title 38, United States Code, requires:

(a) in section 516(e)(1)(A), a quarterly report summarizing the employment discrimination complaints filed against senior managers; the report is due no later than 30 days after the end of each quarter;

(b) in section 2065(a), an annual report on assistance to homeless veterans; the report is due no later than April 15 each year;

(c) in section 7321(d)(2), an annual report of the Committee on Care of Severely Chronically Mentally Ill Veterans; the report is due no later than February 1 each year through 2004;

(d) in section 8107, an annual report on long-range health planning; due June 1 of each year;

(e) in section 8153(g), an annual report on sharing of health care resources; the report is due no later than 60 days after the end of each fiscal year; and

(f) in section 1712A note and enacted in section 110(e)(2) of Public Law 106–117, an annual report of the Special Committee on PTSD; the report is due February 1 of each of the three following years.

Senate Bill

The Senate bill contains no comparable provisions.

House Bill

Section 7 of H.R. 3260, subsection (a) would extend the Senior Managers Quarterly Report from 30 days to 45 days following each quarter; subsection (b) would change the report due date from April 15 to June 15 of each year for the annual report on Assistance to Homeless Veterans; subsection (c) would change the report due date from February 1 to June 1 of each year for the annual report of the Committee on Care of Severely Chronically Mentally Ill Veterans through 2004; subsection (d) would change the report date on the Annual Reports on Long-Range Health Planning to June 1 of each year; subsection (e) would change the report due dates on the Annual Report on Sharing of Health Care Resources to February 1 of each year; and subsection (f) would change the report due date on the Annual Report of the Special Committee on PTSD to May 1 of each year through 2004.

Section 7(a) of H.R. 3387 would extend the annual reporting requirement for the Committee on Care of Severely Chronically Mentally Ill Veterans in Section 7321(d)(2) to February 1, 2009. Section 7(b) of H.R. 3387 would extend the annual report of the Special Committee on PTSD to February 1, 2009.

Compromise Agreement

Section 405 of the Compromise Agreement follows the House language on the provisions in subsections (a), (b), and (e) of the House bill and would extend the reports in subsections (c) and (f) of the House bill through 2008. Section 405 of the Compromise Agreement would simplify the reporting requirements in subsection (d) of the House bill without altering the report due date.

LEGISLATIVE PROVISIONS NOT ADOPTED

DEMOLITION OF OBSOLETE, DILAPATED, AND HAZARDOUS STRUCTURES ON DEPARTMENT OF VETERANS AFFAIRS PROPERTY

Current Law

There is no similar provision in current law.

Senate Bill

Section 202 of the Senate bill would add section 8171 to title 38, United States Code, to authorize the demolition of obsolete, dilapidated, and hazardous structures; would establish a specific fund in the Treasury designated as the Department of Veterans Affairs Facilities Demolition Fund; and would authorize an appropriation of $25,000,000 for fiscal year 2004 for this Demolition Fund.

House Bill

The House bills contain no comparable provision.

Compromise Agreement

The Compromise Agreement does not contain this provision.

SUPPLEMENTARY MATTERS

SAN JUAN, PUERTO RICO VA MEDICAL CENTER

In 1999, Congress provided $50,000,000 to the VA Medical Center in San Juan, Puerto Rico, to assist that facility in correcting numerous structural safety issues. Since then, VA has spent $4,000,000 of those funds on the design and planning of a bed tower that will alleviate the strain on the older bed tower currently in use. The remaining $46,000,000 will be used for the tower's construction, with a projected Spring 2004 groundbreaking. The Committees understand that the Secretary has pledged at least an additional $25,000,000 to enhance this project and minimize any reduction of total beds at this facility. Even with the completion of this construction, the Committees are advised that additional seismic and utility upgrades are needed at the San Juan VA. The Committees encourage the Secretary to honor this pledge and continue the practice of providing high quality services to the veterans of Puerto Rico.

Mr. GRAHAM of Florida. Madam President, I rise today to urge swift passage of S. 1156, which is essentially a conference report on various veterans' health care measures. This bill will dramatically assist the Department of Veterans Affairs in providing quality health care to our Nation's veterans. I would like to highlight some of the key provisions.

The compromise agreement would authorize $17.5 million in advanced planning funds for a new medical facility in East-Central Florida. While this is only an authorization, I note that the VA–HUD appropriations bill will likely contain an unspecified pot of construction funding—up to $600 million total. These funds will likely be used for East-Central Florida and other worthy projects stemming from VA's realignment effort.

Veterans living in East-Central Florida are in dire need of a full-fledged VA hospital. One VA report found that since 1996, ''the Central Florida market sustained the greatest workload expansion of the entire VA system—105 percent.'' Other VA studies have deemed the region as ''the logical choice for infrastructure investment for all major Inpatient and Outpatient categories.'' The decision about where to place a new VA hospital in this region falls to VA, but I encourage Secretary Principi to carefully study all the options to ensure that the most appropriate location is chosen.

The demand for care in East-Central Florida heretofore has also been validated by the Capital Asset Realignment for Enhanced Services (CARES) process. CARES is a multi-stage analysis that VA has undertaken of its assets and infrastructure nationwide, for the purposes of making according adjustments to meet the projected health

care needs of veterans over the next 20 years. The process has reached its final stages, with the release of a Draft National Plan currently under review by a commission.

The CARES initiative will have profound ramifications for hospitals all across the country. As such, the compromise agreement includes a provision that I fought for, granting Congress a 60-day notice and wait period before commencing any closures or consolidations that result from CARES recommendations. It is imperative that Congress have a role in this process, as the delivery of health care to our nation's veterans will be greatly affected by its outcome. This became particularly apparent when the Draft National Plan was unveiled, revealing the targeting for closure of up to 6,000 beds nationwide—including some 1,500 long-term care and 800 psychiatry beds. As long-term care and mental health were not factored into the original CARES model, many questions were raised about the validity of the process.

The Veterans Health Care, Capital Asset, and Business Improvement Act of 2003 would also authorize the construction of a comprehensive outpatient medical care facility at the Pensacola Naval Air Station, in Pensacola, FL. The clinic, as envisioned, would be a joint venture between VA and the Department of the Navy. This area of my home state is greatly underserved in terms of medical facilities for servicemembers and veterans, and I am pleased to be a part of bringing vital health care services to the region.

Because of the need for quality, accessible hospital services for veterans in the Pensacola area and surrounding counties, this bill would require VA to develop a plan to meet their inpatient needs. While there is no doubt that the VA–Navy clinic would provide vital outpatient services, inpatient care will still be lacking. This provision seeks to address that facet of the health care continuum for veterans in the Panhandle.

Another important provision of the compromise agreement would expand VA's assisted living pilot program to one additional site. The assisted living pilot program is designed to help the large numbers of men and women in the VA system over the age of 65, who either need long-term care now or potentially will need it in the future. The pilot program was first established through The Veterans Millennium Health Care and Benefits Act, which gave VA clear authority to furnish an assisted living service, including to the spouses of veterans.

The CARES Draft National Plan also puts emphasis on assisted living programs. No fewer than 19 sites are proposed to be converted into assisted living facilities. The assisted living pilot program seeks to help VA address inequities in availability of noninstitutional services by developing models for proliferating the program nationwide. I am hopeful that Network 8 will apply to be the next pilot program. There is a great need for long-term care services in my home state of Florida.

I am proud to have worked on this valuable piece of legislation for our Nation's veterans, and I urge my colleagues to support it.

Mr. INOUYE. Madam President, I commend Senator ARLEN SPECTER and the Committee on Veterans Affairs for their efforts in support of S. 1156, the Veterans Health Care Authorities Extension and Improvement Act of 2003, which would improve the provision of long-term health care for veterans by the Department of Veterans Affairs.

I would like to take this opportunity to comment on the section of S. 1156 that authorizes the VA to provide Filipino veterans residing in the United States the same medical benefits that are currently provided to veterans of the Armed Forces of the United States. Approximately 9,500 Filipino veterans residing in the United States would be eligible for these benefits.

Many of you are aware of my continued support and advocacy on behalf of the Filipino World War II veterans, and the importance of addressing their plight. As an American, I believe the treatment of Filipino World War II veterans is bleak and shameful. Throughout the years, I have sponsored several measures to rectify the wrongs committed against these World War II veterans, and I am grateful to the committee for the assistance and consideration given to my past initiatives. While some strides have been made, I believe more needs to be done to assist these veterans who are in their twilight years. Of the 120,000 who originally served in the Commonwealth Army during World War II, approximately 59,899 Filipino veterans currently reside in the United States and the Philippines. According to the Department of Veterans Affairs, the Filipino veteran population is expected to decrease to approximately 20,000, or roughly one-third of the current population, by 2010.

I support the provision in S. 1156 that authorizes the VA to provide Filipino veterans residing in the United States the same medical benefits that are currently provided to veterans of the Armed Forces of the United States. However, I remain concerned that these benefits are restricted to only those veterans residing in the United States. In my view, a distinction should not be made between veterans residing in the United States and those residing in the Philippines.

As a result of a citizenship statute enacted by the Congress in 1990, some Filipino veterans who were able to travel came to the United States to become United States citizens. At the same time, many other Filipino World War II veterans were unable to travel to the United States and take advantage of the naturalization benefit because of their advanced age. The law was subsequently amended in the Fiscal Year 1993 Departments of State, Justice, Commerce and the Judiciary Appropriations Act, Public Law 102–395, to allow the naturalization process for these veterans to occur in the Philippines. Since then, a distinction has been made, and benefits have been provided to only those Filipino veterans residing in the United States.

I believe it is unfair to make this distinction. The Commonwealth Army of the Philippines was called to serve with the United States Armed Forces in the Far East during World War II under President Roosevelt's July 26, 1941, military order. Together, these gallant men and women stood in harm's way with our American soldiers to fight our common enemies during World War II. Because all Filipino veterans stood in equal jeopardy during World War II, I do not believe we should draw a distinction based on their current residency in the U.S. or in the Philippines. All of them were at equal risk, and so all should receive equal benefits.

Accordingly, I introduced S. 68, the Filipino Veterans' Benefits Improvements Act of 2003, which provides health and disability compensation benefits that are similar to the provision included in S. 1156, but without limitations based on the residency of the veterans. I strongly urge Chairman SPECTER and members of the Committee to give consideration to S. 68, and to work with me in the coming year to provide health benefits to veterans residing in the Philippines.

Heroes should never be forgotten or ignored, so let us not turn our backs on those who sacrificed so much. Many of the Filipinos who fought so hard for our nation have been honored with American citizenship. Let us now work to repay all of these brave men and women for their sacrifices by providing them the veterans' benefits they deserve.

Mr. THOMAS. Madam President, I ask unanimous consent that the substitute amendment which is at the desk be agreed to, the committee substitute, as amended, be agreed to, the bill, as amended, be read a third time and passed, the amendment to the title as reported be amended with the amendment at the desk, the title amendment, as amended, be agreed to, the motions to reconsider be laid upon the table en bloc, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2203) in the nature of a substitute was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The committee amendment in the nature of a substitute, as amended, was agreed to.

The amendment (No. 2204) was agreed to, as follows:

AMENDMENT NO. 2204

Amend the title to read as follows: ''A bill to amend title 38, United States Code, to improve and enhance provision of health care

for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.''.

The bill (S. 1156), as amended, was read the third time and passed.

The title amendment, as amended, was agreed to

IMPROVING BENEFITS UNDER LAWS ADMINISTERED BY THE SECRETARY OF VETERANS AFFAIRS

Mr. THOMAS. Madam President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 2297 and the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2297) to amend title 38, United States Code, to improve benefits under laws administered by the Secretary of Veterans Affairs, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. SPECTER. Madam President, I have sought recognition today to explain briefly the provisions of H.R. 2297, the proposed Veterans Benefits Act of 2003, that the Ranking Member of the Committee on Veterans Affairs, Senator GRAHAM of Florida, and I propose be approved, as amended, by the Senate. H.R. 2297, as so amended and as presented to the Senate today, incorporates agreements reached between the Senate Committee of Veterans Affairs, which I am privileged to chair, and our counterpart Committee in the House of Representatives, on legislation relating to the provision of non-healthcare-related benefits by the Department of Veterans Affairs.

H.R. 2297, as amended, contains provisions derived from S. 1132, the proposed Veterans Benefits Enhancements Act of 2003, as approved by the Senate on October 31, 2003, and S. 1156, as reported by the Committee on Veterans' Affairs on November 10, 2003. It also contains provisions derived from H.R. 2297, as approved by the House on October 8, 2003; H.R. 1257, as approved by the House on May 22, 2003; and H.R. 1460, as amended from the bill approved by the House on June 24, 2003. Inasmuch as S. 1132, as approved by the Senate earlier this year, had itself incorporated provisions derived from 11 Senate bills—meaning that H.R. 2297 contains provisions derived from 15 separate bills—it is apparent that this bill represents the work and ideas of many sponsors with many differing interests. I thank the Ranking Member, Senator GRAHAM of Florida, and the Chairman and Ranking Member of the House Committee on Veterans Affairs, Representative CHRIS SMITH of New Jersey and Representative LANE EVANS of Illinois, for the spirit of cooperation and bipartisanship that they showed in addressing the sometimes-competing interests in play as 15 pieces of legislation were knitted into a single, coherent whole.

Since this is a lengthy bill—over 50 pages—I will not endeavor in this statement to explain in detail each and every provision. Rather, I will discuss the highlights briefly in this statement, and refer my colleagues to a Joint Explanatory Statement. I ask unanimous consent to print in the RECORD a detailed explanation of the bill as amended.

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

EXPLANATORY STATEMENT ON SENATE AMENDMENT TO HOUSE BILL, H.R. 2297, AS AMENDED

H.R. 2297, as amended, the Veterans Benefits Act of 2003, reflects a Compromise Agreement reached by the House and Senate Committees on Veterans' Affairs (''the Committees'') on the following bills considered in the House and Senate during the 108th Congress: H.R. 1257; H.R. 1460, as amended; H.R. 2297, as amended (''House Bill''); and S. 1132, as amended (''Senate Bill''). H.R. 1257 passed the House on May 22, 2003; H.R. 1460, as amended, passed the House on June 24, 2003; H.R. 2297, as amended, passed the House on October 8, 2003; S. 1132, as amended, passed the Senate on October 31, 2003.

The House and Senate Committees on Veterans' Affairs have prepared the following explanation of H.R. 2297, as amended (''Compromise Agreement''). Differences between the provisions contained in the Compromise Agreement and the related provisions of H.R. 1257, H.R. 1460, as amended, H.R. 2297, as amended, and S. 1132, as amended, are noted in this document, except for clerical corrections, conforming changes made necessary by the Compromise Agreement, and minor drafting, technical, and clarifying changes.

TITLE I: SURVIVOR BENEFITS

RETENTION OF CERTAIN VETERANS SURVIVOR BENEFITS FOR SURVIVING SPOUSES REMARRYING AFTER AGE 57

Current Law

Section 103(d) of title 38, United States Code, prohibits a surviving spouse who has remarried from receiving dependency and indemnity compensation (''DIC'') and related housing and education benefits during the course of the remarriage. This benefit may be reinstated in the event the subsequent marriage is terminated. Public Law 107–330 extended to surviving spouses who remarry after age 55 continuing eligibility under the Civilian Health and Medical Program of the Department of Veterans Affairs (''CHAMPVA'').

House Bill

Section 6 of H.R. 2297, as amended, would allow a surviving spouse who remarries after attaining age 55 to retain the DIC benefit. Spouses who remarry at age 55 or older prior to enactment of the bill would have one year from the date of enactment to apply for reinstatement of DIC benefits. The amount of DIC would be paid with no reduction of certain other Federal benefits to which the surviving spouse might be entitled.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 101 of the Compromise Agreement would provide that a surviving spouse upon remarriage after attaining age 57 would retain DIC, home loan, and educational benefits eligibility. Surviving spouses who remarried after attaining age 57 prior to enactment of the Compromise Agreement would have one year to apply for reinstatement of these benefits.

BENEFITS FOR CHILDREN WITH SPINA BIFIDA OF VETERANS OF CERTAIN SERVICE IN KOREA

Current Law

Chapter 18 of title 38, United States Code, authorizes the Department of Veterans Affairs (''VA'') to provide benefits and services to those children born with spina bifida whose natural parent (before the child was conceived) served in the Republic of Vietnam between January 9, 1962 and May 7, 1975. Benefits and services are authorized due to the association between exposure to dioxin and the incidence of spina bifida in the children of those exposed. Children born with spina bifida whose parent was exposed to dioxin and other herbicides during military service in locations other than the Republic of Vietnam do not qualify for VA benefits and services.

House Bill

Section 12 of H.R. 2297, as amended, would permit children born with spina bifida whose parent (before the child was conceived) served in an area of Korea near the demilitarized zone (''DMZ'') between October 1, 1967 and May 7, 1975, to qualify for benefits in the same manner as children whose parent served in the Republic of Vietnam.

Senate Bill

Section 101 of S. 1132, as amended, would permit children with spina bifida whose parent (before the child was conceived) served in or near the DMZ in Korea during the period beginning on January 1, 1967, and ending on December 31, 1969, to qualify for benefits in the same manner as children whose parent served in the Republic of Vietnam. The Senate Bill would require the Secretary of Veterans Affairs to make determinations of exposure to herbicides in Korea in consultation with the Secretary of Defense.

Compromise Agreement

Section 102 of the Compromise Agreement would generally follow the Senate language. However, under the Compromise Agreement, the time period for qualifying service in or near the DMZ is changed to service which occurred during the period beginning on September 1, 1967, and ending on August 31, 1971. The Committees note that although use of herbicides in Vietnam ceased in 1971, Vietnam-era veterans who served until May 7, 1975, are presumed to have been exposed to residuals. Similarly, even though herbicide use in or near the Korean DMZ ended in 1969, the Committees believe it is appropriate to extend the qualifying service period beyond 1969 to account for residual exposure.

The Committees also note that the Secretary of Defense has identified the following units as those assigned or rotated to areas near the DMZ where herbicides were used between 1968 and 1969: combat brigades of the 2nd Infantry Division (1–38 Infantry, 2–38 Infantry, 1–23 Infantry, 2–23 Infantry, 3–23 Infantry, 3–32 Infantry, 1–9 Infantry, 2–9 Infantry, 1–72 Armor, and 2–72 Armor); Division Reaction Force (4–7th Cavalry, Counter Agent Company); 3rd Brigade of the 7th Infantry Division (1–17th Infantry, 2–17 Infantry, 1–73 Armor and 2–10th Cavalry); and Field Artillery, Signal and Engineer support personnel.

ALTERNATE BENEFICIARIES FOR NATIONAL SERVICE LIFE INSURANCE AND UNITED STATES GOVERNMENT LIFE INSURANCE

Current Law

Section 1917 of title 38, United States Code, gives veterans insured under the VA's National Service Life Insurance (''NSLI'') program the right to designate the beneficiary or beneficiaries of insurance policies maturing on or after August 1, 1946. It also specifies the modes of payment to beneficiaries when an insured dies, and sets forth the procedure to be followed when a beneficiary has not been designated or dies before the insured.

Section 1949 of title 38, United States Code, gives veterans insured under the United States Government Life Insurance (''USGLI'') program the right to change beneficiaries, and sections 1950 through 1952 of title 38 set out the modes of payment to designated beneficiaries and sets forth the procedure to be followed when a beneficiary either has not been designated or dies before the insured. For the NSLI and USGLI programs, the law does not specify the course of action VA is to take when no beneficiary can be found.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 102 of S. 1132, as amended, would authorize the payment of NSLI and USGLI to alternate beneficiaries, in order of precedence and as designated by the insured veteran, if no claim is made by the primary beneficiary within two years of the insured veteran's death. If four years have elapsed since the death of the insured and no claim has been filed by a person designated by the insured as a beneficiary, section 102 would authorize VA to make payment to a person VA determines to be equitably entitled to such payment.

Compromise Agreement

Section 103 of the Compromise Agreement follows the Senate language.

PAYMENT OF BENEFITS ACCRUED AND UNPAID AT TIME OF DEATH

Current Law

Section 5121 of title 38, United States Code, restricts specified classes of survivors to receiving no more than two years of accrued benefits if a veteran dies while a claim for VA periodic monetary benefits (other than insurance and servicemen's indemnity) is being adjudicated. Public Law 104–275 extended the retroactive payment from one year to two years.

House Bill

Section 6 of H.R. 1460, as amended, would repeal the two-year limitation on accrued benefits so that a veteran's survivor may receive the full amount of award for accrued benefits.

Senate Bill

Section 105 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 104 of the Compromise Agreement contains this provision.

TITLE II: BENEFITS FOR FORMER PRISONERS OF WAR AND FOR FILIPINO VETERANS

Subtitle A—Former Prisoners of War

PRESUMPTIONS OF SERVICE-CONNECTION RELATING TO DISEASES AND DISABILITIES OF FORMER PRISONERS OF WAR

Current Law

Section 1112(b) of title 38, United States Code, specifies a list of 15 disabilities that VA presumes are related to military service for former prisoners of war (''POWs'') who were held captive for not less than 30 days. If a former POW was interned for less than 30 days, he or she must establish that the disability was incurred or aggravated during military service in order for service connection to be granted.

The list in section 1112(b) of title 38, United States Code, does not include cirrhosis of the liver; however, on July 18, 2003, VA published a regulation adding cirrhosis of the liver to the list of conditions presumptively service-connected for former POWs. (68 Fed. Reg. 42,602).

House Bill

Section 11 of H.R. 2297, as amended, would eliminate the 30–day requirement for psychosis, any anxiety states, dysthymic disorders, organic residuals of frostbite and post-traumatic arthritis. Section 11 would also codify cirrhosis of the liver as a disability which is presumptively service-connected for a former POW who was interned for at least 30 days.

Senate Bill

Section 302 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 201 of the Compromise Agreement contains this provision.

Subtitle B—Filipino Veterans

RATE OF PAYMENT OF BENEFITS FOR CERTAIN FILIPINO VETERANS AND THEIR SURVIVORS RESIDING IN THE UNITED STATES

Current Law

Section 107(a) of title 38, United States Code, generally provides that service before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, including organized guerilla units (''Commonwealth Army veterans''), may in some circumstances be a basis for entitlement to disability compensation, dependency and indemnity compensation, monetary burial benefits, and certain other benefits under title 38, United States Code, and that payment of such benefits will be at the rate of $0.50 for each dollar authorized. Section 107(b) of title 38, United States Code, generally provides that service in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945 (i.e., service in the ''new Philippine Scouts''), may be a basis for entitlement to disability compensation, DIC, and certain other benefits under title 38, United States Code, but payment of such benefits will be at the rate of $0.50 for each dollar authorized.

House Bill

Section 16 of H.R. 2297, as amended, would provide the full amount of compensation and DIC to eligible members of the new Philippine Scouts, as well as the full amount of DIC paid by reason of service in the organized military forces of the Commonwealth of the Philippines, including organized guerilla units, if the individual to whom the benefit is payable resides in the United States and is either a citizen of the U.S. or an alien lawfully admitted for permanent residence.

Senate Bill

Section 321 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 211 of the Compromise Agreement contains this provision.

BURIAL BENEFITS FOR NEW PHILIPPINE SCOUTS RESIDING IN THE UNITED STATES

Current Law

Section 107 of title 38, United States Code, provides that persons who served in the organized military forces of the Government of the Commonwealth of the Philippines, including organized guerilla units (''Commonwealth Army veterans''), who lawfully reside in the United States are eligible for burial in a VA national cemetery and VA monetary burial benefits at the full-dollar rate if, at the time of death, they are receiving VA disability compensation or would have been receiving VA pension but for their lack of qualifying service.

House Bill

Section 17 of H.R. 2297, as amended, would extend eligibility for burial in a national cemetery to new Philippine Scouts, as well as eligibility for VA burial benefits, to those who lawfully reside in the United States.

Senate Bill

Section 322 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 212 of the Compromise Agreement contains this provision.

EXTENSION OF AUTHORITY TO MAINTAIN REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES

Current Law

Section 315(b) of title 38, United States Code, authorizes the Secretary of Veterans Affairs to operate a regional office in the Republic of the Philippines until December 31, 2003. Congress last extended this authority in Public Law 106–117.

House Bill

Section 18 of H.R. 2297, as amended, would extend the Secretary's authority to operate a regional office in the Republic of the Philippines through December 31, 2009.

Senate Bill

Section 323 of S. 1132, as amended, would extend the Secretary's authority to operate a regional office in the Republic of the Philippines through December 31, 2008.

Compromise Agreement

Section 213 of the Compromise Agreement follows the House language.

TITLE III—EDUCATION BENEFITS, EMPLOYMENT PROVISIONS, AND RELATED MATTERS

EXPANSION OF MONTGOMERY GI BILL EDUCATION BENEFITS FOR CERTAIN SELF-EMPLOYMENT TRAINING

Current Law

Section 3452(e) of title 38, United States Code, furnishes various legal definitions used in the administration of VA's educational assistance programs. Self-employment training is not included among the current definitions.

House Bill

Section 2 of H.R. 2297, as amended, would expand the Montgomery GI Bill program by authorizing educational assistance benefits for on-job training of less than six months in certain self-employment training programs, to include: (1) an establishment providing apprentice or other on-job training, including programs under the supervision of a college or university or any State department of education; (2) an establishment providing self-employment training consisting of full-time training for less than six months that is needed for obtaining licensure to engage in a self-employment occupation or required for ownership and operation of a franchise; (3) a State board of vocational education; (4) a Federal or State apprenticeship registration agency; (5) a joint apprenticeship committee established pursuant to the National Apprenticeship Act, title 29, United States Code; or (6) an agency of the Federal Government authorized to supervise such training.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 301 of the Compromise Agreement follows the House language.

INCREASE IN RATES OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

Current Law

Chapter 35 of title 38, United States Code, specifies the eligibility criteria, programs of education and training, and payment amounts applicable under VA's Survivors' and Dependents' Educational Assistance (''DEA'') benefits program. Generally, those eligible for DEA benefits are the spouses and dependents of: veterans with total and permanent service-connected ratings; veterans who died as a result of service-related injuries; or servicemembers who died while on active duty. Currently, monthly benefit rates for eligible DEA beneficiaries are $695 for full-time study, $522 for three-quarter-time study, and $347 for half-time study. Monthly DEA benefits are also available for beneficiaries pursuing programs of education on a less-than-half-time basis, through farm cooperative programs, correspondence courses, special restorative training programs, or programs of apprenticeship or other approved on-job training programs.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 104 of S. 1132, as amended, would raise monthly DEA benefits by 13.4 percent over current levels. The new rates would be set at $788 for full-time study, $592 for three-quarter time study, and $394 for half-time study. A 13.4 percent increase would also be made to benefits paid to eligible persons pursuing a program of education on a less than half-time basis, through institutional courses, farm cooperative programs, correspondence courses, special restorative training programs, or programs of apprenticeship or other approved on-job training programs. The increases would take effect on July 1, 2004.

Compromise Agreement

Section 302 of the Compromise Agreement follows the Senate language.

RESTORATION OF SURVIVORS' AND DEPENDENTS' EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO FULL-TIME NATIONAL GUARD DUTY

Current Law

Section 3512(h) of title 38, United States Code, provides for an extension of Survivors' and Dependents' Educational Assistance only to reservists called to active duty after September 11, 2001, for an amount of time equal to that period of full-time duty, plus 4 months.

House Bill

Section 3 of H.R. 2297, as amended, would provide that National Guard members who qualify for survivors' and dependents' education benefits under chapter 35 of title 38, United States Code, and are involuntarily ordered to full-time duty under title 32, United States Code, after September 11, 2001, would have their eligibility extended by an amount of time equal to that period of full-time duty, plus 4 months.

Senate Bill

Section 103 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 303 of the Compromise Agreement contains this provision.

ROUNDING DOWN OF CERTAIN COST-OF-LIVING ADJUSTMENTS ON EDUCATIONAL ASSISTANCE

Current Law

Sections 3015(h) and 3564 of title 38, United States Code, provide for annual cost-of-living adjustments to both the Montgomery GI Bill and Survivors' and Dependents' Educational Assistance programs. Each section specifies that percentage increases be ''rounded to the nearest dollar.''

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 304 of S. 1132, as amended, would require annual percentage adjustments under sections 3015(h) and 3564 to be rounded down to the nearest dollar. This section would first apply to adjustments made at the start of fiscal year 2005.

Compromise Agreement

Section 304 of the Compromise Agreement follows the Senate language. However, the Compromise Agreement specifies that the changes made by the Senate language shall be effective only through September 30, 2013.

AUTHORIZATION FOR STATE APPROVING AGENCIES TO APPROVE CERTAIN ENTREPRENEURSHIP COURSES

Current Law

Section 3675 of title 38, United States Code, establishes requirements for approval of accredited courses offered by educational institutions. Section 3452 of title 38, United States Code, furnishes various legal definitions used in the administration of VA educational assistance programs. Section 3471 of title 38, United States Code, establishes general requirements which must be met by educational institutions before VA may approve applications for educational assistance from veterans or eligible persons. There is no provision in current law authorizing the approval of entrepreneurship courses.

House Bill

Section 2 of H.R 1460, as amended, would allow State approving agencies to approve non-degree, non-credit entrepreneurship courses offered by a Small Business Development Center (''SBDC'') or the National Veterans Business Development Corporation for the training of veterans, disabled veterans, dependent spouses and children of certain disabled or deceased veterans, and members of the National Guard and Selected Reserve. VA would also be prohibited from considering a beneficiary as already qualified for the objective of a program of education offered by a qualified provider of an entrepreneurship course solely because he or she is the owner or operator of a small business.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 305 of the Compromise Agreement follows the House language.

REPEAL OF PROVISIONS RELATING TO OBSOLETE EDUCATION LOAN PROGRAM

Current Law

Subchapter III of chapter 36 of title 38, United States Code, establishes VA's education loan program, states policy regarding eligibility, amount, condition, and interest rates of loans, and establishes a revolving fund and insurance against defaults as part of its administration. This program has been in effect since January 1, 1975.

House Bill

Section 5 of H.R. 2297, as amended, would, effective on the date of enactment, repeal the VA education loan program and waive any existing repayment obligations of a veteran, including overpayments due to default on these loans.

Senate Bill

Section 305 of S. 1132, as amended, contains a comparable provision, but terminates the program 90 days after date of enactment.

Compromise Agreement

Section 306 of the Compromise Agreement follows the Senate language.

SIX-YEAR EXTENSION OF VETERANS' ADVISORY COMMITTEE ON EDUCATION

Current Law

Section 3692 of title 38, United States Code, requires the Secretary of Veterans Affairs to administer a Veterans' Advisory Committee on Education. It requires the Secretary to consult with and seek the advice of the Advisory Committee from time to time with respect to the administration of chapters 30, 32, and 35 of title 38, United States Code, and chapter 1606 of title 10, United States Code. The Advisory Committee's authorization expires on December 31, 2003.

House Bill

Section 4 of H.R. 2297, as amended, would extend, through December 31, 2009, the Veterans' Advisory Committee on Education, as well as amend the language to eliminate the requirement that veterans from certain periods—World War II, Korean conflict era, or post-Korean conflict era—be required to participate as members of the Advisory Committee.

Senate Bill

Section 342 of S. 1132, as amended, would extend the Veterans' Advisory Committee on Education through December 31, 2013, and maintain the existing membership requirements, as practicable.

Compromise Agreement

Section 307 of the Compromise Agreement follows the Senate language with regard to membership, and the House language with regard to extending the Advisory Committee's authorization date through December 31, 2009.

PROCUREMENT PROGRAM FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY QUALIFIED SERVICE-DISABLED VETERANS

Current Law

Sections 631 through 657 of title 15, United States Code, establish policies with respect to aid to small businesses. Section 637 specifies Small Business Administration (''SBA'') authorities regarding procurement matters. Section 637(a) specifies SBA authorities with respect to procurement contracts and subcontracts to disadvantaged small business concerns. Section 637(d) establishes policies regarding performance of contracts by small business concerns (''SBC''), as described in title 15, United States Code. Section 637(h) establishes policies regarding award of contracts, procedures other than competitive ones, and exceptions.

House Bill

Section 3 of H.R. 1460, as amended, would provide Federal agencies discretionary authority to create ''sole-source'' contracts for service-disabled veteran-owned and controlled small businesses, up to $5 million for manufacturing contract awards and up to $3 million for non-manufacturing contract awards.

This section would provide Federal agencies discretionary authority to restrict certain contracts to service-disabled veteran-owned and controlled small businesses if at least two such concerns are qualified to bid on the contract.

Section 3 would establish a contracting priority that places restricted and ''sole

source'' contracts for service-disabled veteran-owned and controlled small businesses immediately below the priority for socially and economically disadvantaged firms (known as ''8(a)'' program contracts) for all Federal departments and agencies except VA. Such priorities for service-disabled veteran-owned and controlled small businesses would rank above priorities for HUBZone and women-owned businesses. HUBZones are SBCs located in historically underutilized business zones. However, a contracting officer would procure from a source on the basis of a preference provided under any provision of this legislation unless the contracting officer had determined the procurement could be made by a contracting authority having a higher priority. Lastly, procurement could not be made from a source on the basis of preference provided under this legislation if the procurement could otherwise be made from a different source under section 4124 or 4125 of title 18, United States Code, or the Javits-Wagner-O'Day Act.

Section 3 would establish a four-year pilot program in the Department of Veterans Affairs in which service-disabled veteran-owned and controlled small businesses would have the same contracting priority as the 8(a) program.

This section would define ''qualified service-disabled veteran'' as any veteran who (1) has one or more disabilities that are service-connected as defined in section 101(16) of title 38, United States Code, and are rated at 10 percent or more by the Secretary of Veterans Affairs, or (2) is entitled to benefits under section 1151 of title 38, United States Code.

Section 3 would define ''small business concerns owned and controlled by qualified service-disabled veterans'' as (1) one in which not less than 51 percent of which is owned by one or more qualified service-disabled veterans or, in the case of any publicly-owned businesses, not less than 51 percent of the stock of which is owned by one or more qualified service-disabled veterans, and (2) the management and daily business operations of which are controlled by one or more qualified service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent care giver of the veteran.

Section 3 would define the term ''certified small business concerns owned and controlled any qualified service-disabled veterans'' as any small business concern owned and controlled by qualified service-disabled veterans that is certified by the Administrator of the Small Business Administration as being such a concern.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 308 of the Compromise Agreement would provide Federal contracting officials the discretionary authority to award sole source contracts (limited to contracts of up to $5 million for manufacturing and $3 million for non-manufacturing) to SBCs owned and controlled by service-disabled veterans. This section would also provide Federal contracting officials, in certain circumstances, the discretionary authority to award contracts on a restricted competition basis to SBCs owned and controlled by service-disabled veterans. This provision would not supercede any existing procurement preference established under law. Specifically, it would not accord service-disabled veteran small business owners priority over procurement preferences under the Federal Prison Industries, Javits-Wagner-O'Day, SBA 8(a), Women's, or HubZone programs. Rather, the Committees intend the provision to provide Federal contracting officials a means to improve their results with respect to contracting with service-disabled veterans. The Committees note that in 1999, Public Law 106–50 established a 3 percent government-wide goal for procurement from service-disabled veteran-owned small businesses. To date, all Federal agencies fall far short of reaching this procurement goal. The Committees intend that a determination of service-connection by the Secretary of Veterans Affairs would be binding on the SBA for purposes of participation in this program. The Committees also urge the SBA and the Office of Federal Procurement Policy to expeditiously and transparently implement this program, perform outreach, and provide the necessary resources to improve results with respect to SBCs owned and operated by service-disabled veterans.

OUTSTATIONING OF TRANSITION ASSISTANCE PROGRAM PERSONNEL

Current Law

Section 1144 of title 10, United States Code, authorizes the Secretary of Labor to place staff in veterans' assistance offices on military installations, both foreign and domestic, to help transitioning servicemembers obtain civilian jobs.

House Bill

Section 19 of H.R. 2297, as amended, would require the Department of Labor to place staff in veterans' assistance offices where VA staff are located at overseas military installations 90 days after enactment. It would also authorize the Department of Labor to exceed the number of VA locations and place staff in additional locations abroad.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 309 of the Compromise Agreement follows the House language with a technical modification.

TITLE IV: HOUSING BENEFITS AND RELATED MATTERS

AUTHORIZATION TO PROVIDE ADAPTED HOUSING ASSISTANCE TO CERTAIN DISABLED MEMBERS OF THE ARMED FORCES WHO REMAIN ON ACTIVE DUTY

Current Law

Section 2101 of title 38, United States Code, provides for grants to adapt or acquire suitable housing for certain severely disabled veterans, including veterans who are unable to ambulate without assistance. Severely disabled servicemembers who have not yet been processed for discharge from military service, but who will qualify for the benefit upon discharge due to the severity of their disabilities, are not allowed to apply for or receive the grant until they are actually discharged from military service.

House Bill

Section 4 of H.R. 1460, as amended, would permit a member of the Armed Forces to apply for and receive a grant prior to actually being discharged from military service.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 401 of the Compromise Agreement follows the House language.

INCREASE IN AMOUNTS FOR CERTAIN ADAPTIVE BENEFITS FOR DISABLED VETERANS

Current Law

The Secretary of Veterans Affairs is authorized in chapter 21 of title 38, United States Code, to assist eligible veterans in acquiring suitable housing and adaptations with special fixtures made necessary by the nature of the veteran's service-connected disability, and with the necessary land. The maximum amount authorized for a severely disabled veteran is $48,000. The maximum amount authorized for less severely disabled veterans is $9,250.

Section 3902(a) of title 38, United States Code, authorizes the Secretary to pay up to $9,000 to an eligible disabled servicemember or veteran to purchase an automobile (including all state, local, and other taxes).

House Bill

Section 10(a) of H.R. 2297, as amended, would increase the specially adapted housing grants for the most severely disabled veterans from $48,000 to $50,000, and from $9,250 to $10,000 for less severely disabled veterans.

Section 10(b) would increase the specially adapted automobile grant from $9,000 to $11,000.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 402 of the Compromise Agreement follows the House language.

PERMANENT AUTHORITY FOR HOUSING LOANS FOR MEMBERS OF THE SELECTED RESERVE

Current Law

Under section 3702(a)(2)(E) of title 38, United States Code, members of the Selected Reserve qualify for a VA home loan if the reservist has served for a minimum of six years. Eligibility for reservists under this program is scheduled to expire on September 30, 2009.

House Bill

Section 13 of H.R. 2297, as amended, would make the Selected Reserve home loan program permanent.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 403 of the Compromise Agreement follows the House language.

REINSTATEMENT OF MINIMUM REQUIREMENTS FOR SALE OF VENDEE LOANS

Current Law

Section 3733 of title 38, United States Code, generally establishes property management policies for real property acquired by the Department of Veterans Affairs as a result of a default on a loan that VA has guaranteed.

House Bill

Section 15 of H.R. 2297, as amended, would reinstate the vendee loan program which VA administratively terminated on January 31, 2003. It would increase from 65 percent to 85 percent the maximum number of purchases of real property the Secretary may finance in a fiscal year. It would change the vendee loan program from a discretionary to a mandatory one.

Senate Bill

Section 308 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 404 of the Compromise Agreement contains this provision. However, the Compromise Agreement specifies that the changes made under this provision shall expire after September 30, 2013.

ADJUSTMENT TO HOME LOAN FEES AND UNIFORMITY OF FEES FOR QUALIFYING RESERVE MEMBERS WITH FEES FOR ACTIVE DUTY VETERANS

Current Law

Section 3729(a) of title 38, United States Code, requires that a fee shall be collected

from each person (1) obtaining a housing loan guaranteed, insured, or made under chapter 37; and (2) assuming a loan to which section 3714 (concerning loan assumptions) applies. The fee may be included in the loan.

Section 3729(b) of title 38, United States Code, determines the amount of the home loan fees expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

Section 3729(b)(2) requires that veterans who served in the Selected Reserve pay 75 basis points more than veterans with active duty service.

House Bill

Section 14 of H.R. 2297, as amended, would make four revisions to the Loan Fee Table. First, it would provide uniformity in the funding fees for VA-guaranteed home loans charged to those who served in the Selected Reserve and veterans with active duty service. Second, beginning in fiscal year 2004, it would increase the fee charged for loans made with no down payment by 15 basis points. Third, it would increase the fee charged for repeated use of the home loan benefit, i.e., for a second or subsequent loan, by 30 basis points for the fiscal year 2004–2011 period and by 90 basis points in fiscal years 2012 and 2013. Fourth, it would replace the existing range of fees for hybrid adjustable rate mortgages under the current pilot program with a flat fee of 1.25 percent.

Senate Bill

Section 307 of S. 1132, as amended, would increase the funding fees for subsequent use of a guaranty by 50 basis points, but only between fiscal years 2005 and 2011.

Compromise Agreement

Section 405 of the Compromise Agreement would follow the House language, except that a funding fee for members of the Selected Reserve would, for initial use of a guaranty, be set 25 basis points higher than applicable funding fees set for veterans with active duty service. Further, for the period January 1, 2004 through September 30, 2004 only, in the case of active-duty veterans making initial loans with zero dollars down, the fee would be increased from 2.15 percent to 2.20 percent. In addition, the Compromise Agreement would not effect a 1.25 percent flat fee for hybrid adjustable rate mortgage loans.

ONE-YEAR EXTENSION OF PROCEDURES ON LIQUIDATION SALES OF DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS

Current Law

Section 3732 of title 38, United States Code, defines the procedures for a liquidation sale of a property acquired by VA in the event of a default on a VA-guaranteed home loan. The procedures direct VA to follow a formula, defined in statute, which mandates VA consider losses it might incur when selling properties acquired through foreclosure. Ultimately, after considering the loss VA can make a determination whether to, in fact, acquire the property or simply pay the guaranty on the loan used to purchase the property. The authority for these procedures is currently set to expire on October 1, 2011.

House Bill

The House Bill contains no comparable provision.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 406 of the Compromise Agreement would extend the application of the liquidation sale procedures through October 1, 2012.

TITLE V: BURIAL BENEFITS

BURIAL PLOT ALLOWANCE

Current Law

Veterans who are discharged from active duty service as a result of a service-connected disability, veterans who are entitled to disability compensation or VA pension, and veterans who die in a VA facility are eligible for a $300 VA ''plot allowance'' if they are not buried in a national cemetery. Section 2303(b)(1) of title 38, United States Code, allows state cemeteries to receive the $300 plot allowance payment for the interment of such veterans, and the interment of veterans of any war, if the cemeteries are used solely for the burial of veterans. However, states may not receive a plot allowance for burial of veterans who die as a result of a service-connected disability and whose survivors seek reimbursement of funeral expenses under section 2307 of title 38, United States Code (which currently authorizes a $2,000 funeral expense benefit).

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 201 of S. 1132, as amended, would expand existing law to allow states to receive the $300 plot allowance for the interment of veterans who did not serve during a wartime period and for the interment of veterans who died as a result of service-connected disabilities and whose survivors sought reimbursement of funeral expenses under section 2307 of title 38, United States Code.

Compromise Agreement

Section 501 of the Compromise Agreement follows the Senate language.

ELIGIBILITY OF SURVIVING SPOUSES WHO REMARRY FOR BURIAL IN NATIONAL CEMETERIES

Current Law

Section 2402(5) of title 38, United States Code, prohibits a surviving spouse of a veteran who has remarried from being buried with the veteran spouse in a national cemetery if the remarriage is in effect when the veteran's surviving spouse dies. Public Law 103–466 revised eligibility criteria for burial in a national cemetery to reinstate burial eligibility for a surviving spouse of an eligible veteran whose subsequent remarriage was terminated by death or divorce.

House Bill

Section 7 of H.R. 2297, as amended, would allow the surviving spouse of a veteran to be eligible for burial in a VA national cemetery based on his or her marriage to the veteran, regardless of the status of the subsequent marriage. This eligibility revision would be effective January 1, 2000.

Senate Bill

Section 202 of S. 1132, as amended, contains a similar provision, with the eligibility revision being effective on date of enactment.

Compromise Agreement

Section 502 of the Compromise Agreement follows the House language. Despite the inclusion of an additional group of persons (i.e., remarried spouses) eligible for national cemetery burial under the Compromise Agreement, the Secretary retains the authority under section 2402(6) of title 38, United States Code, to grant or deny national cemetery burial for other persons, or classes of persons, not explicitly granted eligibility in statute. It has come to the Committees' attention that VA's record-keeping system concerning which persons are granted or denied waivers for burial in national cemeteries is, at best, incomplete. Adequate records on burial waivers are necessary to ensure that the Secretary's judgment on waiver cases is being applied uniformly to all applicants. The Committees direct VA to rectify gaps in its waiver-accounting system so that basic information, such as which persons are denied burial waivers and the reasons for the denial, will be available.

PERMANENT AUTHORITY FOR STATE CEMETERY GRANTS PROGRAM

Current Law

Section 2408(a)(2) of title 38, United States Code, authorizes appropriations, through fiscal year 2004, for VA to make grants to States to assist them in establishing, expanding, or improving state veterans' cemeteries.

House Bill

Section 8 of H.R. 2297, as amended, would make the State Cemetery Grants Program permanent.

Senate Bill

Section 203 of S. 1132, as amended, contains a similar provision with an additional technical change.

Compromise Agreement

Section 503 of the Compromise Agreement follows the Senate language.

TITLE VI: EXPOSURE TO HAZARDOUS SUBSTANCES

RADIATION DOSE RECONSTRUCTION PROGRAM OF DEPARTMENT OF DEFENSE

Current Law

Section 3.311 of title 38, Code of Federal Regulations, sets out procedures for the adjudication of claims by VA for benefits premised on a veteran's exposure to ionizing radiation in service. For veterans who claim radiation exposure due to participation in nuclear atmospheric testing from 1945 through 1962, or due to occupation duty in Hiroshima and Nagasaki prior to July 1, 1946, dose data are requested from the Department of Defense (''DOD''). DOD's Defense Threat Reduction Agency (''DTRA'') pays a private contractor to estimate radiation exposure through a process called radiation dose reconstruction.

There is no entity under existing law which provides independent oversight of DTRA's radiation dose reconstruction process.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 331 of S. 1132, as amended, would require VA and DOD to review, and report on the mission, procedures, and administration of the radiation dose reconstruction program. It would also require VA and DOD to establish an advisory board to oversee the program.

Compromise Agreement

Section 601 of the Compromise Agreement follows the Senate language.

STUDY ON DISPOSITION OF AIR FORCE HEALTH STUDY

Current Law

The Air Force Health Study (''AFHS'') was initiated by DOD in 1982 to examine the effects of herbicide exposure and health, mortality, and reproductive outcomes in veterans of Operation Ranch Hand, the activity responsible for aerial spraying of herbicides during the Vietnam Conflict. The study will conclude in 2006.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 332 of S. 1132, as amended, would direct VA to enter into an agreement with

the National Academy of Sciences (''NAS'') under which NAS would report on the following: (1) the scientific merit of retaining AFHS data after the Ranch Hand study is terminated; (2) obstacles to retaining the AFHS data which may exist; (3) the advisability of providing independent oversight of the data; (4) the advisability and prospective costs of extending the study and the identity of an entity which would be suited to continue the study; and (5) the advisability of making laboratory specimens from the study available for independent research.

Compromise Agreement

Section 602 of the Compromise Agreement follows the Senate language, but the reporting deadline is extended to 120 days.

FUNDING OF MEDICAL FOLLOW-UP AGENCY OF INSTITUTE OF MEDICINE OF NATIONAL ACADEMY OF SCIENCES FOR EPIDEMIOLOGICAL RESEARCH ON MEMBERS OF THE ARMED FORCES AND VETERANS

Current Law

Public Law 102–585 requires that VA and DOD each contribute $250,000 in annual core funding to the Medical Follow-Up Agency (''MFUA'') for a period of 10 years. MFUA is a panel of the Institute of Medicine which researches military health issues.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 333 of S. 1132, as amended, would mandate VA and DOD funding for MFUA, at current levels, from fiscal year 2004 through 2013.

Compromise Agreement

Section 603 of the Compromise Agreement follows the Senate language.

TITLE VII: OTHER MATTERS

TIME LIMITATIONS ON RECEIPT OF CLAIM INFORMATION PURSUANT TO REQUESTS OF DEPARTMENT OF VETERANS AFFAIRS

Current Law

Section 5102(b) of title 38, United States Code, requires that VA, in cases where it receives an application for benefits that is not complete, notify the applicant of the information that is necessary to complete the application for benefits. Similarly, section 5103(a) of title 38, United States Code, requires that VA, when it receives a complete or a substantially complete application for benefits, notify the applicant of any information or evidence necessary to substantiate the claim. Section 5103(b) of title 38, United States Code, states that if information or evidence requested under section 5103(a) is not received within one year of the date of such notification, no benefit may be paid by reason of that application for benefits.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 310 of S. 1132, as amended, would require that claimants who have submitted an incomplete application under section 5102(b) of title 38, United States Code, and who have been notified that information is required to complete the application, submit the information within one year of the date of notification or else no benefit would be paid by reason of the application. It would also clarify section 5103(b) by stating that that subsection would not be construed to prohibit VA from making a decision on a claim before the expiration of the one-year period. Section 310 would be effective as if enacted on November 9, 2000, immediately after the enactment of the Veterans Claims Assistance Act of 2000.

Compromise Agreement

Section 701 of the Compromise Agreement would follow the Senate language, but would make a further amendment to section 5103(b) of title 38, United States Code, to remove the statutory bar to payment of benefits when information or evidence, requested of the claimant by VA, is not submitted within one year of the notification requesting such information or evidence. If a matter is on appeal and evidence is received beyond the one-year period relating to the original claim, it should be considered.

Section 701(d)(1) of the Compromise Agreement would require VA to readjudicate the original claim when a claimant adequately asserts he or she was misled upon receiving notification from VA of the information or evidence needed to substantiate the claim. However, section 701(d)(4) specifies that the Secretary is not required to identify or readjudicate any claim based upon the authority given to the Secretary under this section when information or evidence was submitted during the one-year period following the notification or when the claim has been the subject of a timely appeal to the Board of Veterans' Appeals or the United States Court of Appeals for Veterans Claims.

CLARIFICATION OF APPLICABILITY OF PROHIBITION ON ASSIGNMENT OF VETERANS BENEFITS TO AGREEMENTS ON FUTURE RECEIPT OF CERTAIN BENEFITS

Current Law

Section 5301 of title 38, United States Code, prohibits the assignment of VA benefits and exempts such benefits from taxation and from the claims of creditors.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 311 of S. 1132, as amended, would clarify current statutory language prohibiting the assignment of benefits and specify that any agreement under which a VA beneficiary might purport to transfer to another person or entity the right to receive direct or indirect payments of compensation, pension, or DIC benefits shall be deemed to be a prohibited assignment. Section 311 would also make it clear that such prohibitory language would not bar loans to VA beneficiaries which might be repaid with funds derived from VA, so long as each periodic payment made under the loan is separately and voluntarily executed by the beneficiary at the time the payment is made.

Compromise Agreement

Section 702 of the Compromise Agreement would follow the Senate language but would modify it to state that payments on loans are explicitly allowed when made by preauthorized electronic funds transfers pursuant to the Electronic Funds Transfers Act (''EFTA''). The EFTA defines a characteristic of these transfers as allowing the beneficiary to direct his or her financial institution to cease payments upon the beneficiary's notice. It is the Committees' intent to ensure that methods of loan repayment would not be limited for disabled veterans. The Compromise Agreement would also eliminate the section that specifies the effective date of the provision. It is the Committees' intent that prohibition against assignment shall be enforced through coordination with appropriate authorities.

SIX-YEAR EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS

Current Law

Section 544 of title 38, United States Code, mandates that VA establish an Advisory Committee on Minority Veterans. The Secretary of Veterans Affairs must, on a regular basis, consult with and seek the advice of the Advisory Committee with respect to issues relating to the administration of benefits for minority group veterans. The Secretary must also consult with and seek the advice of the Committee with respect to reports and studies pertaining to such veterans, and the needs of such veterans for compensation, health care, rehabilitation, outreach, and other benefits and programs administered by VA. The Advisory Committee is required to submit an annual report providing its assessment of the needs of minority veterans, VA programs designed to meet those needs, and any recommendations the Advisory Committee considers appropriate. The authorization for the Advisory Committee expires on December 31, 2003.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 341 of S. 1132, as amended, would extend the authorization of the Advisory Committee on Minority Veterans until December 31, 2007.

Compromise Agreement

Section 703 of the Compromise Agreement would extend the authorization of the Advisory Committee until December 31, 2009.

TEMPORARY AUTHORITY FOR PERFORMANCE OF MEDICAL DISABILITIES EXAMINATIONS BY CONTRACT PHYSICIANS

Current Law

Section 504 of Public Law 104–275 authorized VA to carry out a contract disability examination pilot program at 10 VA regional offices. The law specifies that VA draw funds for the program from amounts available to the Secretary of Veterans Affairs for compensation and pensions.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 343 of S. 1132, as amended, would authorize VA, using funds subject to appropriation, to contract for disability examinations from non-VA providers at all VA regional offices. Such examinations would be conducted pursuant to contracts entered into and administered by the Under Secretary for Benefits. The Secretary's authority under this section would expire on December 31, 2009. No later than four years after the section's enactment, the Secretary would be required to submit a report assessing the cost, timeliness, and thoroughness of disability examinations performed under this section.

Compromise Agreement

Section 704 of the Compromise Agreement follows the Senate language, but adds a technical modification that would clarify that the authority granted the Secretary under section 704 of the Compromise Agreement is in addition to the authority already granted the Secretary under Section 504 of Public Law 104–275. Thus, it is the Committees' intent that VA's existing contract for disability examinations under the authority of Public Law 104–275 remain in force. It is also the Committees' intent that the Secretary's ability to enter into contracts in the future under the strictures of Section 504 of Public Law 104–275 remain in force as well.

FORFEITURE OF BENEFITS FOR SUBVERSIVE ACTIVITIES

Current Law

Section 6105 of title 38, United States Code, provides that an individual convicted after September 1, 1959, of any of several specified

offenses involving subversive activities shall have no right to gratuitous benefits (including the right to burial in a national cemetery) under laws administered by the Secretary of Veterans Affairs. No other person shall be entitled to such benefits on account of such individual.

House Bill

Section 20 of H.R. 2297, as amended, would amend current law to supplement the list of serious Federal criminal offenses for which a veteran's conviction results in a bar to VA benefits, including burial in a national cemetery. The following criminal offenses from title 18, United States Code, would be added: section 175, prohibited activities with respect to biological weapons; section 229, prohibited activities with respect to chemical weapons; section 831, prohibited transactions involving nuclear materials; section 1091, genocide; section 2332a, use of certain weapons of mass destruction; and section 2332b, acts of terrorism transcending national boundaries. All of these offenses, which involve serious threats to national security, were added to title 18, United States Code, after the enactment of the provisions in section 6105 of title 38, United States Code.

Senate Bill

Section 313 of S. 1132, as amended, contains an identical provision.

Compromise Agreement

Section 705 of the Compromise Agreement contains this provision.

TWO-YEAR EXTENSION OF ROUND-DOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS

Current Law

Sections 1104(a) and 1303(a) of title 38, United States Code, mandate that yearly cost-of-living adjustments made to rates of compensation and dependency and indemnity compensation be rounded down to the nearest whole dollar amount. This authority expires on September 30, 2011.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 301 of S. 1132, as amended, would extend the round-down authority under sections 1104(a) and 1303(a) through fiscal year 2013.

Compromise Agreement

Section 706 of the Compromise Agreement follows the Senate language.

CODIFICATION OF REQUIREMENT FOR EXPEDITIOUS TREATMENT OF CASES ON REMAND

Current Law

Section 302 of Public Law 103–446 requires the Secretary of Veterans Affairs to provide for the expeditious treatment by the Board of Veterans' Appeals and by regional offices of the Veterans Benefits Administration of claims remanded by the Board of Veterans' Appeals or the United States Court of Appeals for Veterans Claims.

House Bill

The House Bill contains no comparable provision.

Senate Bill

The Senate Bill contains no comparable provision.

Compromise Agreement

Section 707 of the Compromise Agreement would codify the provisions of section 302 of Public Law 103–446. Expedited treatment of decisions of the Board of Veterans' Appeals would be codified in chapter 51 of title 38, United States Code. Expedited treatment of decisions of the United States Court of Appeals for Veterans Claims would be codified in chapter 71 of title 38, United States Code.

LEGISLATIVE PROVISIONS NOT ADOPTED

CLARIFICATION OF NOTICE OF DISAGREEMENT FOR APPELLATE REVIEW OF DEPARTMENT OF VETERANS AFFAIRS ACTIVITIES

Current Law

Claimants for VA benefits who disagree with an initial decision rendered by VA may initiate an appeals process by submitting a written notice of disagreement (''NOD'') within one year after the claimant was notified of the initial decision. Section 7105(b) of title 38, United States Code, states that an NOD ''must be in writing and filed with the activity which entered the determination with which disagreement is expressed.'' Upon the timely filing of an NOD, VA is required to provide appellate review of its initial benefits rating decision.

VA has promulgated regulations to implement section 7105 of title 38, United States Code, which state that ''while special wording is not required, the Notice of Disagreement must be in terms which can be reasonably construed as disagreement with the determination and [expressing a] desire for appellate review.'' 38 CFR §20.201 (2002).

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 314 of S. 1132, as amended, would clarify section 7105(b) of title 38, United States Code, by requiring that VA deem any written document which expresses disagreement with a VA decision to be an NOD unless VA finds that the claimant has disavowed a desire for appellate review. This section would be effective with respect to documents filed on or after the date of enactment, and with respect to documents filed before the date of enactment and not treated by VA as an NOD pursuant to part 20.201 of title 38, Code of Federal Regulations. Furthermore, a document filed as an NOD after March 15, 2002, and rejected by the Secretary as insufficient would, at VA motion or at the request of a claimant within one year of enactment, be deemed to be an NOD if the document expresses disagreement with a decision and VA finds that the claimant has not disavowed a desire for appellate review.

PROVISION OF MARKERS FOR PRIVATELY MARKED GRAVES

Current Law

Section 502 of Public Law 107–103, the Veterans Education and Benefits Expansion Act of 2001, authorizes VA to furnish a government headstone or marker for the grave of an eligible veteran buried in a non-veterans' cemetery irrespective of whether the grave was already marked with a private marker. The law applies to veterans whose deaths occurred on or after December 27, 2001. Public Law 107–330 extended this authority to include deaths occurring on or after September 11, 2001.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 204 of S. 1132, as amended, would amend the Veterans Education and Benefits Expansion Act of 2001 to authorize VA to furnish a government headstone or marker for the grave of an eligible veteran buried in a private cemetery, irrespective of whether the grave was already marked with a private marker, for deaths occurring on or after November 1, 1990.

TERMINATION OF AUTHORITY TO GUARANTEE LOANS TO PURCHASE MANUFACTURED HOMES AND LOTS

Current Law

Section 3712 of title 38, United States Code, authorizes VA to guarantee loans for the purchase of a manufactured home and a lot on which it is sited.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 306 of S. 1132, as amended, would eliminate VA's authority to guarantee loans to purchase a manufactured home and the lot on which it is sited.

REINSTATEMENT OF VETERANS VOCATIONAL TRAINING PROGRAM FOR CERTAIN PENSION RECIPIENTS

Current Law

Section 1524 of title 38, United States Code, authorized a pilot program of vocational training to certain nonservice-connected pension recipients. The initial pilot program was in place from February 1, 1985, through January 31, 1992. Public Law 102–562 extended the program through December 31, 1995.

House Bill

Section 9 of H.R. 2297, as amended, would reinstate the VA pilot program for five years beginning on the date of enactment to provide vocational training to newly eligible VA nonservice-connected pension recipients. The program would be open to those veterans age 45 years or younger. The Department of Veterans Affairs would be required to ensure that the availability of vocational training is made known through various outreach methods. Not later than two years after the date of enactment, and each year thereafter, the Secretary would be required to submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the operation of the pilot program. The report would include an evaluation of the vocational training provided, an analysis of the cost-effectiveness of the training provided, and data on the entered-employment rate of veterans participating in the program.

Senate Bill

The Senate Bill contains no comparable provision.

THREE-YEAR EXTENSION OF INCOME VERIFICATION AUTHORITY

Current Law

Section 5317 of title 38, United States Code, directs VA to notify applicants for needs-based VA benefits that information collected from the applicants may be compared with income-related information obtained by VA from the Internal Revenue Service and the Department of Health and Human Services. The authority of the Secretary of Veterans Affairs to obtain such information expires on September 30, 2008.

Section 6103(l)(7)(D)(viii) of the Internal Revenue Code authorizes the release of income information by the Internal Revenue Service to VA. This authority expires on September 30, 2008.

House Bill

The House Bill contains no comparable provision.

Senate Bill

Section 312 of S. 1132, as amended, would extend until September 30, 2011, the authority of the Secretary to obtain income information under section 5317 of title 38, United States Code, and the authority of the Internal Revenue Service to share income information under section 6103(l)(7)(D)(viii) of the Internal Revenue Code.

Mr. GRAHAM of Florida. Madam President, as Ranking Member of the Committee on Veterans' Affairs, I urge the Senate to pass H.R. 2297, the proposed Veterans Benefits Act of 2003.

The pending measure, which I will refer to as the ''Compromise Agreement,'' is the final version of an omnibus bill. This Compromise Agreement would improve a variety of veterans' benefits, most significantly for the survivors of those who lose their lives on active duty, or who die of their service-connected conditions. It is entirely appropriate that, at a time when we have called our servicemembers into harm's way, we should extend not only our sympathies but critical assistance to the families left behind by those who have made the ultimate sacrifice.

I will briefly highlight some of the most important provisions, and refer my colleagues seeking more detail to the Joint Explanatory Statement accompanying the bill. I thank Chairman ARLEN SPECTER and his staff for their efforts on behalf of our nation's veterans, and my colleagues in the House for working with our committee staffs to craft this agreement.

While this Compromise Agreement enhances many veterans' benefits, it focuses particularly on meeting the needs of survivors. I am gratified that Congress plans to increase the rate of educational benefits for survivors and dependents of veterans. This bill would raise education benefits by 13.4 percent over current levels—to $788 per month from $695 for full-time study—creating parity with the benefits that the Nation provides to active-duty servicemembers. Family members who have already faced the loss of a father, mother, husband, or wife in service, or who have helped a servicemember endure total disability, should not have to face limited educational opportunities and fragile futures due to resulting financial hardships.

I am very pleased that we have continued to build upon legislation of the past two years to assist the surviving spouses of servicemembers. In 2001, Congress passed legislation to allow survivors of severely disabled veterans to continue receiving VA healthcare coverage through the program called CHAMPVA after age 65. Congress extended this coverage last year, allowing eligible surviving spouses of veterans who died from service-connected disabilities or in the line of duty to retain their eligibility for CHAMPVA benefits even if they remarried after age 55. This year, the committees have agreed to allow the surviving spouses to retain survivors' benefits—Dependency and Indemnity Compensation, education allowance and home loan—if they remarry after the age of 57, placing these spouses on the same footing as those in other Federal survivorship programs.

The committees were also mindful of those who must live with the possible health consequences of a parent's service. Recent scientific evidence has suggested an association between exposure to dioxin, a toxic chemical found in the herbicide Agent Orange, and an increased risk of the birth defect spina bifida in children born to those exposed. In 1996, Congress authorized VA to provide benefits to children with spina bifida whose fathers or mothers served in the Republic of Vietnam and might have been exposed to Agent Orange. The Compromise Agreement would extend theses same benefits to affected children whose parents served in or near the Korean Demilitarized Zone during the Vietnam era, where Agent Orange was also used a defoliant.

I am pleased that the Compromise Agreement also addresses the enduring, and sometimes invisible, scars of war. Recognizing the long-term effects of prolonged malnutrition and confinement, current law specifies a list of 15 disabilities that VA presumes are related to military service of former prisoners of war who were held captive 30 days or more. This legislation would eliminate the 30-day requirement for certain physical and mental disorders that could result from as little as a day of captivity. It would also add cirrhosis of the liver to the list of presumptively service-connected disabilities for those former POWs who were held captive for at least 30 days, as peer-reviewed studies have shown that former POWs have a higher incidence of this debilitating disease.

Another group of veterans who struggle with potential long-term health consequences are those who were exposed to significant doses of ionizing radiation, particularly in post-war Japan and during subsequent nuclear testing. Nearly 20 years ago, Congress mandated that veterans who suffered from illnesses they believed were caused by such radiation could request that VA ''reconstruct'' the actual dose of radiation that they received during service. A panel of experts convened by the National Academy of Sciences reported that the contractor-operated program established by the VA to produce this data for veterans suffered from a shockingly cavalier approach to quality assurance, resulting in data that failed to meet the standards assumed by both VA and veterans. The Compromise Agreement would require VA and DOD to establish an advisory board to oversee this dose reconstruction program's mission, procedures, and administration to ensure that it collects and interprets data adequately and fairly.

Congress required the Air Force to conduct a long-term epidemiological study of the veterans of Operation Ranch Hand, the unit responsible for aerial spraying of herbicides during the Vietnam War. This study is about to conclude, and experts agree that both samples and data could still provide key data for many unanswered questions. The Compromise Agreement would direct VA to enter into an agreement with the National Academy of Sciences to advise whether the study should be continued, describe the steps that would be involved in doing so, and evaluate the advisability of making laboratory specimens from the study available for independent research.

Finally, the Compromise Agreement would ensure that the core funding for the Medical Follow-Up Agency (MFUA) would be extended for 10 more years. MFUA uses this funding to update, maintain, and improve long-term epidemiological studies of military and veterans' populations. Congress, VA, military, and independent scientists have relied on MFUA data since World War II to evaluate whether specific exposures might have long-term health effects that suggest a need for benefits, new treatments, or further research.

Together, all of these provisions demonstrate that our nation will continue its commitment to those veterans who carry the burdens of the battlefield—whether obvious or invisible—long after the end of the fight.

In conclusion, I want to thank Senator SPECTER and his benefits staff for their work on this comprehensive bill, specifically Bill Tuerk, Jon Towers and Chris McNamee, as well as my benefits staff—Mary Schoelen, Tandy Barrett, Ted Pusey, Amanda Krohn, and Faiz Shakir, along with Julie Fischer, who recently left the committee, and Patrick Stone, who has recently joined it. I urge my colleagues to support this important piece of legislation for our Nation's veterans and their families.

Mr. THOMAS. Madam President, I ask unanimous consent that the substitute amendment which is at the desk be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2205) in the nature of a substitute was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The bill (H.R. 2297), as amended, was read the third time and passed.

Mr. THOMAS. I yield the floor.

ENERGY POLICY ACT OF 2003—CONFERENCE REPORT—Continued

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Illinois.

Mr. DURBIN. Mr. President, what is the order of the business before the Senate?

The PRESIDING OFFICER. The Senator is recognized for 30 minutes on the conference report.

Mr. DURBIN. Mr. President, I ask unanimous consent that period of time be extended to 45 minutes, if there is no objection.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. Thank you, Mr. President.

This is a bill that has been before Congress for quite some time. It is a bill that relates to America's energy needs. It certainly is one that is timely. Our energy supplies and use of energy are critical to the state of our economy and its growth.

This bill was first proposed by the Bush administration under the leadership of Vice President CHENEY. Most people followed it in the news because Vice President CHENEY called together a task force to write the administration's energy policy. When he was asked to identify who was in the room, the people who were involved in the task force, he refused. Despite the pleas of Members of Congress and requests for that information about the origin and creation of this energy policy, the Vice President basically said he was not going to disclose the identity of those who were part of the energy task force.

The General Accounting Office took the Vice President to court and the Vice President prevailed. He was allowed to conceal the names and identities of those who were on the energy task force. So this idea of an energy policy was conceived in secret.

Then there were lengthy debates on the floor of the Senate and House about Energy bills, both during the period when the Democrats were in control of the Senate and the period with Republicans in control. We spent many, many days going through Energy bill options and amendments, voting on them, and moving forward. The net result of it was we produced a Senate Energy bill which was sent to conference.

Conference committees, as defined under our Constitution, and by the practice and precedent of the Senate, usually involve both political parties sitting down, and the House and Senate conferees trying to work out some agreement or some compromise.

As has been the case more recently than not, this conference committee did not follow that standard. The conference committee met primarily with Republican Members only, and primarily in secret.

So ultimately the work product of this energy conversation or energy analysis that we have before us today was not only conceived in secrecy, it was produced in secrecy.

So today we have a great epiphany, a great opening, a great revelation. The bill is finally before us, and we have a chance to look at this bill, which was brought together with special interest groups and the Vice President at the outset, and which was hammered out in a conference committee with those same special interest groups.

Having considered the origin of this bill, and its maturation process, it is no surprise that this bill is heavily larded with giveaways to the energy industry. In fact, if you go through this bill you will find two things that stand out. The first relates to a question which we have to face as a nation: Is it possible for us to have a sound energy policy which allows for economic growth and sustains our standard of living without endangering our environment?

I think the answer to that is yes, and I think we have proven that it can happen. We have seen an expansion of the American economy over the past several decades while we have reduced pollution in our air and water. That is a positive. It shows we are thinking ahead, that we are not trying to enjoy the benefit of the moment with energy as an expense which our children will pay for.

But, sadly, this bill, by its contents, comes to an opposite conclusion. Because this bill finds, first and foremost, that in order to pursue the administration's energy policy, and the energy policy of a Republican majority in Congress, we have to basically sacrifice our environment. I think that is a horrible conclusion. I find it totally unacceptable, and it is the reason I stand today in opposition to this bill.

Secondly, aside from the question of whether we can have a sound energy policy and a safe environment, we are challenged with this question: Can you promote in America the energy we need for this generation and future generations without providing generous, lavish subsidies to private corporations?

Now, this morning, one of my colleagues from Oregon, on the Republican side, came to the floor and was critical of Governor Dean of Vermont for saying yesterday that we had to consider reregulation in America. This Senate critic said that is exactly what we do not need. We do not need Government regulation in America.

His argument was—and the traditional Republican argument is—let the free market work its will. Well, that, in the abstract, sounds like good medicine, but in reality it is far from the truth.

The market worked its will with Enron. The market has worked its will with the scandals involving mutual funds. The market is working its will every day when it comes to the cost of health insurance to businesses and families across America.

As we look at how the market has worked its will, it is clear the results are unacceptable. So the question before us in the Energy bill is, Can we rely on a free market, then, to develop sources of energy in America?

The answer from this bill is no. The answer from this bill is that the Government must inject itself into the energy sector of our economy and make substantial subsidies to certain elements in the economy in order for America to meet its energy needs. I will outline some of those subsidies in a moment.

So the two conclusions from this Energy bill are that America's energy supply and its growth are inconsistent with a safe environment; and, secondly, that giving the free market its rein, it will not produce the energy that we need in the future. Instead, we have to generously subsidize energy markets.

Now, that is a lot different than what you have heard from the administration. They have talked about balance and they have talked about a forward-looking energy policy. But I will tell you, when you look at the specifics in this bill, it is clear that it is not balanced.

It is sad to report that this bill, as it is written, has turned out to be a piece of legislation which I believe this Congress should reject. This energy policy that is being promoted in this bill is a gush of giveaways to corporate special interests that is masquerading as an energy policy.

There is a way out of this embarrassment for the Senate. There is a way to come up with an energy policy that works. That way, of course, is to stop this bill and to ask our friends on the important committees dealing with energy to go back to work, go back to work to deliver a bill which, frankly, will be bipartisan, a bill which will be balanced, a bill that will not sacrifice the environment for energy, and a bill which would not be the gush of giveaways this bill has turned out to be.

Let me tell you some of the specifics included in this Energy bill when it comes to the environment, specifics that tell the story about how what was conceived as an Energy bill turned out to be the worst piece of environmental legislation that I have seen in the Senate.

Among the provisions in this bill are the following: It allows more smog pollution for longer than the current Clean Air Act authorizes. Under the existing act, areas that have unhealthy air are required to reduce ozone-forming smog pollution by a strict statutory deadline. If these areas fail to meet the deadline, they are given more time to clean up, but must adopt more rigorous air pollution control measures. The bill attempts to allow more polluted areas more time to clean up without having to implement stronger air pollution controls, placing a significant burden on States and communities downwind from the urban areas.

This bill exempts all oil and gas construction activities including roads, drill pads, pipeline corridors, refineries, and compressor stations from having to obtain a permit controlling polluted storm water runoff as currently required under the Clean Water Act. So in these first two provisions, this bill violates the Clean Air Act and the Clean Water Act. It delays pollution cleanup in southwestern Michigan for 2 years while the EPA conducts a study, dramatically increases air pollution and global warming with huge new incentives, claims to promote clean coal, which I support, but inhibits its development by disqualifying federally funded clean coal projects as best available control technologies; threatens drinking water sources by exempting from the Safe Drinking Water Act regulation the underground injection of chemicals during oil and gas development.

Do you remember the squabble we had here in the Senate about arsenic in drinking water and whether or not it

was safe, and how the Bush administration finally backed off of weakening regulations that would protect us from arsenic in drinking water? This so-called Energy bill is going to increase the danger in our drinking water by exempting from coverage by that act the underground injection of chemicals during oil and gas development. There is a whole section on MTBE, which I will speak to specifically. It encourages the mixture of hazardous waste in cement and concrete products as an alternative to safe disposal in permitted hazardous waste landfills. The list goes on and on and on.

When it comes to our public lands, this bill allows the Interior Secretary, by Secretarial order, to designate utility and pipeline corridors across public lands owned by Americans without any seeking public input through a land use planning process. It authorizes the leasing of the national petroleum reserve in Alaska for oil and gas production without protection for wildlife. It allows the Secretary to waive royalties, which means payments to taxpayers for those who are drilling for oil and gas on the lands that we own as Americans. It allows the Secretary to waive royalties so these companies can drill on our public lands for free.

The list continues. The list is overwhelming. In each and every page—and there are five of them—you will find 10 or 20 examples of environmental degradation, abandonment of environmental standards, endangerment of the air that we breathe and the water we drink. For what? So that someone can make a dollar. That is what it is all about. It is about profit taking at the expense of public health. That is what this Energy bill does.

Did anyone ever announce at the outset that was our goal? Did anyone ever conceive during the debate that what we were trying to do was to provide some more energy at the expense of the environment and at the expense of public health? That is exactly what this bill does.

Before I get into the MTBE issue, which I think is possibly one of the worst I have seen in the time I have served in Congress, let me tell you what this bill fails to do. What is the No. 1 use of oil that we import into the United States today? We use it to fuel our cars and trucks, of course. Of course, a lot of us own quite a few of them. And we know as well that if these cars and trucks are not fuel efficient, they will burn more gas and require us to import more oil. So if you want to have an honest discussion about energy security in America, would you not be pursuing goals which would reduce our dependence on foreign oil? Would you not want to find ways that America can ween itself away from its dependence on Saudi Arabia and its oil sources? Shouldn't that be front and center the main topic in our energy policy? Well, everybody I have spoken to in my State agrees, of course, that is where you should start the energy discussion.

You can search this bill, 1,400 pages or more, and not find a word that gives you comfort that we as a nation will even seriously consider improving the fuel efficiency of the cars and trucks we drive. Why? Because the big three in Detroit—General Motors, Ford, and Chrysler—have said they are not capable of producing more fuel-efficient cars to compete with those that are being imported from Japan. They have convinced the majority in the Senate—I know because I offered an amendment to improve fuel efficiency—that America is technically incapable of competing when it comes to fuel-efficient cars. That is such a sad commentary. It is one which I reject.

Let me tell you what fuel efficiency means for us. First, a little history: The year was 1975. Gas lines were long. People were concerned about the availability of energy in America. An argument was made that we had to do something about the efficiency of the cars and trucks we drive. Of course, there are two ways to achieve it: One is to raise the price of gasoline. If the price of gasoline at the pump doubled tomorrow, every American family would start asking how many miles a gallon do I get from this hog? Well, I don't want to see that happen, nor do most Americans. That imposes new financial burdens on families and small businesses and, frankly, is inflationary.

But there is another one. In 1975 Congress said: We are going to mandate doubling the fuel efficiency of cars and trucks. It is going to be a Federal mandate. It has to happen.

The automobile manufacturers in Detroit said: It can't be done. It is technically not feasible for us to double over 10 years the fuel efficiency of our cars. Secondly, those cars are going to be so small, they are going to be unsafe. Third, you are just playing into the hands of foreign automobile producers who will beat us to the punch.

Thankfully, Congress ignored them and passed a law. In a matter of 10 years, fuel efficiency went from about 14 miles a gallon fleet average to 27.5 miles a gallon. In a 10-year period of time, we virtually doubled the fuel efficiency of our cars, reducing our dependence on foreign oil.

What have we done since 1985, since we reached 27.5 miles a gallon? Nothing, except drive larger, less fuel-efficient vehicles, import more oil from overseas, and pollute our air even more in America.

What has Congress done? Absolutely nothing. This bill is silent on the issue of fuel efficiency. The Energy bill for America's energy policy is silent when it comes to fuel efficiency.

Let me correct myself. It isn't silent. It creates a new loophole that will be added to the process which will make it even more difficult in the future for us to even consider increasing fuel efficiency.

I offered an amendment which said, what if we went to 40 miles a gallon from 27.5 miles a gallon by 2015. Let's have 12 years. Look at the dramatic savings we would have in the barrels of oil that are consumed.

This is what drilling in the Arctic National Wildlife Refuge is worth, this tiny little line down here. But just by increasing the fuel efficiency of our cars and trucks, we could answer a major part of the challenge of America's energy future. This bill sadly does nothing.

In addition, this bill excludes a renewable portfolio standard. It does not in any way encourage new ways to use energy from renewable fuels in a way that could make a sizable difference. I think we ought to be embarrassed by this. What an embarrassment it was to read in the Washington Post yesterday that China, a developing nation, now has higher fuel efficiency standards and fuel economy standards than the United States. Can you believe it? Can you believe that this growing economy, just developing, has decided they see the future, and the future is in more fuel-efficient cars and less dependence on foreign oil; and the United States, this great economic engine that we run, doesn't see the same? As a consequence, we find ourselves in a position where this bill is silent when it comes to fuel efficiency.

I think that is a terrible deficiency in this legislation. I cannot imagine it can be taken seriously in a conversation about America's energy policy. We know full well that we use a lot of oil. According to this chart, the global consumption of oil per capita in 1999, in gallons per day, the United States is 3; other industrialized countries, 1½; and the rest of the world less than ½. The U.S. continues to consume more oil than other countries.

The gasoline savings we realized going from 14 miles a gallon in 1970 to 28 miles a gallon in 1999 reduced, by 3.7 billion gallons, the gasoline we consumed in a given year. Less gasoline, less polluted oil, less pollution. This bill is silent on that issue, and that is unfortunate.

Let me speak for a minute to what I consider the single most outrageous part of this legislation.

Mr. President, I have been in Congress a few years. I have noticed that at the end of a session strange things happen. Some of these strange things involve massive giveaways to individual companies or interest groups. Over the years I have paraded out my personal award for this activity. I call it the moonlight mackerel award. It is given to that effort or amendment or bill in the closing days of the session which is the most outrageous. It goes back to a quote where someone said that a certain thing would shine and stink like a mackerel in the moonlight.

The one I am about to describe, I believe, may retire the trophy, the moonlight mackerel trophy, which has been

coveted by special interest groups forever. Frankly, it is now being challenged by what may be the worst provision in this Energy bill. It is a provision that led me to oppose the bill. Even though I have had people from Illinois call me who support this bill and genuinely want to see it pass, I have told them that as long as this provision is in the bill, there is no way I will support it. I think it is that bad and that embarrassing.

The provision is on methyl tertiary-butyl ether, or MTBE. MTBE was an additive to gasoline so that engines ran a little smoother, called an oxygenate. Oil companies started adding that to our fuel and selling it across America. There are alternatives. They could have used ethanol, for example; but they said, no, we will use MTBE. So they used this MTBE additive, this compound, in gasoline and then discovered something. They discovered it a long time ago. This MTBE compound is dangerous. MTBE, when it leeched out of underground storage tanks, could get into the groundwater and into the public water supply.

If you took out a boat on a lake with MTBE mixed with gasoline and it discharged into the lake, it could contaminate the lake.

The contamination went beyond the foul-smelling additive itself to raise serious public health questions. According to the GAO, it has been detected in groundwater and drinking water all across the U.S. It is classified as a potential human carcinogen, a cause of cancer. At a level of 2 parts per billion, MTBE produces a harsh chemical odor that renders tap water undrinkable. Removing MTBE is difficult and costly. Water utilities must either blend contaminated water with clean sources to dilute the MTBE to acceptable levels, install systems to remove chemicals, or abandon certain water sources altogether.

The most effective argument of those who have been harmed and seek a day in court is a defective product argument. The fact is that the oil industry knew MTBE was, in fact, dangerous and they continued to use it and sell it, despite the danger it posed to public health. That was the basis for a lawsuit filed in California near Lake Tahoe, where the oil companies eventually paid $60 million, conceding their guilt.

The producers of MTBE knew the problems they had. I believe the producers of the MTBE should be held responsible. In fact, in one powerpoint presentation, the producers cynically dubbed MTBE as ''most things biodegrade easier.'' They were making a joke of the fact that MTBE would stand for those initials, realizing that it did not biodegrade easily. It was a persistent, troublesome, and dangerous element, which stayed for a long time.

Who should pay for the cleanup for MTBE? According to this bill, not the polluters, not the producers, but the taxpayers of America. That is the conclusion in this bill. This bill provides the single most expensive immunity to litigation of any bill that I have ever seen before Congress. It says the producers of MTBE cannot be held accountable in product liability legislation for what they knew to be a dangerous product, and it doesn't stop there. It is retroactive, saying that lawsuits already being prosecuted in States across America cannot be pursued to verdict or settlement.

Think about that for a minute. This is the single biggest giveaway to a special interest group that I have ever seen in the time I have served in Congress. This jury in Tahoe, considering the contamination near the Lake Tahoe area, found that gasoline with MTBE is a defective product because of the risk of this additive, and because the oil companies failed to warn consumers of the risk to the environment and drinking water. The jury found ''clear and convincing evidence'' that the producer of MTBE acted with malice, and they are going to have a field day and a holiday with this Energy bill. They were found to have acted with malice in selling this product that endangered the lives of the people in the community.

MTBE producers know they are vulnerable to these lawsuits. If you are vulnerable for wrongdoing, if you created a product that endangers thousands of Americans, where should you turn? Come to Congress. Come to Capitol Hill. Come to mama.

That is what happened with this conference committee. They came to this conference committee and the conference committee delivered. This conference committee let the MTBE producers and oil companies off the hook. About three-fourths of the producers are located in Texas and Louisiana, and it has been the Congressmen from these States who have pushed this provision.

Let me tell you what it means to Illinois. We are hit, but not as hard as some. Only 26 to 29 communities in my State of Illinois have drinking water currently contaminated with MTBE, affecting over 200,000 people where I live.

Currently, there are four lawsuits in Illinois that this waiver in this bill would eliminate—in the communities of Crystal Lake, Island Lake, Village of Alton, and Woodstock. The lawsuits currently underway will be eliminated by the language in this bill. So where does that leave the community with the contaminated water supply? Where does it leave the families who cannot live in their homes because of this MTBE contamination? It leaves them, frankly, at the mercy of those who would turn and give them money. Should you not hold the polluters accountable? Not according to this bill. This lets the polluters off the hook.

The community of East Alton, with a population of 6,500 people, was faced with a MTBE plume that threatened its drinking water supply. A million dollars was spent to clean it up, and the community went to court to recover the cost of that million-dollar expenditure.

In the town of Island Lake, individual wells were affected.

In Kankakee County, Oakdale Acres subdivision and two other small subdivisions were forced to shut down their groundwater systems and connect to a nearby community's public water supply, after a pipeline rupture contaminated the subdivision's aquifer.

Roanoke, with a 2,000 population—like you might find in Nebraska, New Hampshire, and all across America—has had to use one of their wells as a hydraulic containment area with treatment and discharge to surface water in order to protect their well field from an MTBE plume with a concentration exceeding 1,000 parts per billion.

These communities and others deserve a fair and reasonable hearing. They deserve a judge and jury. They deserve their day in court. This Energy bill locks the courthouse door and says to these communities that they will not have their day in court.

With the defective product liability waiver which reaches back to September 5, 2003, this conference report meddles with the courts at the request of the oil companies. At least 35 States have problems such as I have just described in Illinois.

By 1986, the oil industry was adding 54,000 barrels of MTBE to gasoline every single day. By 1991, the number was up to 100,000 barrels of MTBE per day. Yet oil company studies conducted as early as 1980 showed that the oil industry knew that MTBE contaminated ground water virtually everywhere it was used. There was a $60 million settlement in Lake Tahoe.

Some have analyzed this and said the reason this provision is in here is if the oil companies were going to accept the expansion of ethanol, they had to be given something.

I have been a strong supporter of ethanol for over 20 years, and I will continue to be, but if that is what it is all about, if the only way to increase ethanol is to provide this kind of immunity from liability for the producers of MTBE, it is too high a price to pay, as far as this Senator is concerned.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 16½ minutes.

Mr. DURBIN. I thank the Chair.

Let me say another word about this MTBE. In these lawsuits that have been filed, it has been shown that these oil companies knew what they were getting into. You would think at some point in time they would have at the Federal level banned MTBE perhaps long ago. It took State leadership for this to happen. In California, Colorado, Connecticut, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Michigan, Minnesota, Missouri, Nebraska, New York, Ohio, South Dakota, and the State of Washington, they took the initiative, when the Federal Government

didn't move quickly, to ban MTBE. They know what it is all about, and they understand the damage that has been done to their communities.

In the State of New York, in Liberty, after fighting for 11 years because they found MTBE in their local well water, they finally got the State to move forward to establish new standards for public water supplies after a lot of families there had serious health problems. That is just a story that is going to be repeated all over, not just in New York.

In New Hampshire last spring, they filed a string of lawsuits against 22 oil companies. If these lawsuits are being brought on product liability theories—the ones that are the most successful—they will be thrown out by this legislation. These lawsuits will be eliminated. The businesses, the families, the individuals who have been damaged by this deadly additive are going to lose their day in court because we are going to mandate it in this legislation.

How does this enhance the energy security of America? It certainly adds to the bottom line of profitability of the oil companies which would be held responsible for their misconduct, I will agree with that. But is it just? Is it fair? Is it something we should be doing, giving blanket immunity to companies that, by their wrongdoing, endanger the health of families and individuals across America?

In the State of New Hampshire, the State sued 22 major oil companies on October 6 because of MTBE. According to Governor Craig Benson, they claim the oil companies have added increasing amounts of MTBE to the gasoline, even though they knew years ago it would contaminate water supplies.

The General Accounting Office told Congress what this was all about. In the year 2002, John Stevenson, Director of GAO's Natural Resources and Environmental Division, testified before a House subcommittee and said that MTBE created health risks which he described as follows:

> Such health risks can range from nausea to kidney or liver damage or even cancer.

He pointed out that a school in Roselawn, IN, discovered students had been drinking water with nearly 10 times the Federal recommended level of MTBE. Officials are trying to determine if the additive came from a nearby tank and whether it is causing the students to have an inordinate number of nosebleeds. These are real health issues, real health problems.

Mr. President, ''60 Minutes'' on January 16, 2000, brought the MTBE issue to the attention of America. They noted at the time there was contamination in some 49 States—as I said earlier, about 35 that we can directly link MTBE to contamination of water supplies. They estimate that MTBE is a contaminate in 35 percent of the Nation's urban wells. A single cupful of MTBE in a 5 million gallon reservoir is sufficient to render the water in that reservoir undrinkable.

In 1995, an Italian study on the effects of MTBE showed high doses of this chemical caused three types of cancer: lymphoma, leukemia, and testicular cancer. We are saying to those hapless innocent victims of MTBE contamination of their water supply that we are closing the courthouse door for their recovery in product liability suits. How in the world can we do this in good conscience? How can we turn our back on these innocent victims across America, these communities forced to pay millions of dollars for the wrongdoing of oil companies, and give them this sort of special giveaway and special break?

I, frankly, don't understand how we can. I don't understand how what started out to be an Energy bill has become something much different. I don't know how a bill which was supposed to give us energy security could be so damaging to our environment in so many specific ways. I don't know how a bill that was supposed to be giving Americans peace of mind about their energy future instead in community after community and in State after State is going to close the courthouse doors to holding oil companies accountable for their misconduct.

This is the worst. This retires the trophy in the Moonlight Mackerel Award. I cannot recall a time when we have gone this far, and that is saying something. There is a way out of our embarrassment, and it is a way I would encourage colleagues on both sides of the aisle to take very seriously. We will have an opportunity on a cloture motion soon to decide whether this bill goes forward. If we can gather 41 Senators to oppose it from going forward, then the bill will stop and be returned to conference or perhaps back to committee for further consideration.

I think that is the way it should be, and the sooner we do that the better. If enough of my Republican colleagues will step forward with Democratic colleagues, we can make that difference.

In case you think this is a partisan issue, the Wall Street Journal, which is not known to be friendly to many Democrats, including this one, went after this bill and criticized it on Tuesday, November 18, calling this Energy bill one of the great logrolling exercises in recent congressional history. In the words of the Wall Street Journal:

> The Republican leadership has greased more wheels than a NASCAR pit crew.

They go on to say:

> The bill's total price tag of new outlays is a tidy $72 billion according to Taxpayers for Common Sense. That's not counting $23 billion in tax giveaways to nuclear, oil, gas, and coal concerns all over the country, 3 times more than the President said he would accept.

The Washington Post, November 18:

> . . . producers of MTBE, another gasoline additive that is believed to pollute drinking water, have not only been exempted from product liability, they also have been retroactively exempted, a change that cancels out lawsuits . . .

Across America.

They go on to say:

> This bill does not, for example, provide a clear direction for the development of the electricity grid . . . it does not encourage the U.S. car industry to manufacture vehicles that consume less fuel . . . and it does not significantly encourage energy conservation.

The New York Times says this bill is:

> . . . hardly surprising in a bill that had its genesis partly in Vice President Dick Cheney's secret task force.

It creates:

> . . . exemptions for the Clean Water Act, protection against lawsuits for fouling underground water and an accelerated process for leasing and drilling in sensitive areas at the expense of environmental reviews and public participation.

The list goes on. The Anchorage Alaska newspaper calls the Energy bill a setback.

The Atlanta Journal Constitution, quoting Keith Ashdown of Taxpayers for Common Sense, says:

> [T]he legislation is ''a smorgasbord of subsidies to big companies masquerading as energy policy.''

The Atlanta Journal Constitution concludes in its editorial:

> This bill is about as bad as it gets. When it comes up for a vote, members of Congress who remain committed to more rational energy policy for America and still believe in the dignity of the legislative body in which they serve shouldn't hesitate to reject it.

The Chicago Tribune, from my home State, said the Democrats were virtually locked out of the final negotiations and we were given some 48 hours to digest and evaluate this lengthy bill.

The Patriot News in Harrisburg, PA, says:

> The energy issue is an upside-down world for sure when they look at this bill.

They say there is no more blatant example than the 100-percent tax credit available to business owners who purchase gas guzzling Hummers and more than 30 other models of large SUVs. The tax credit was enacted as part of the President's economic stimulus package and was intended to help farmers and other small business, but the tax break is so attractive it has caused a run on vehicles that average 9 to 15 miles per gallon.

We are going to have energy security and energy independence with a tax policy that encourages the purchase of these gas guzzlers?

They go on to say that hybrid cars which offer 50 to 60 miles a gallon are subject to a $2,000 tax deduction, and that is in the process of being phased out. The list goes on and on of editorial comments across America.

I hope we can return to this bill and do it in a sensible fashion. I hope we can put conservation and energy efficiency at the forefront as we discuss energy security. Though there are many good things in this bill, the good things are outweighed by the negatives.

This exemption from MTBE liability is the absolute worst. To say to these

families, these individuals, and these communities that we are going to lock the courthouse door to them no matter what damage they have sustained is a new low.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am very glad I was present today to hear the speech of the distinguished Senator from Illinois so that immediately after it I might speak a few words.

First, for everybody in this Chamber who wants ethanol—now, I am making the point very clear that I am not talking about whether ethanol is the greatest, whether ethanol is the least, or whether ethanol is the best thing in the world. I am just addressing the millions of people in this country, most of them farmers, many thousands in the State of the occupant of the chair, who would like to see ethanol, since it would do great things for them and at the same time diminish our demands on gasoline from crude oil. Now I am speaking to them.

Whatever has been said by the good Senator from Illinois, all the farmers in his State who produce corn and the other products should know there is no way to get an ethanol bill of any consequence without addressing the issue of MTBE. The way the issue has been addressed by the Senator from Illinois on MTBE is wrong, but nonetheless let us just talk about the reality of it. Do my colleagues want a major ethanol program for America? The answer is overwhelmingly yes. Then go to conference with the House like we did and say to them: We want an ethanol bill like the one that passed the Senate.

They will say: Not on your life, unless you decide to treat those who produce MTBE, a forerunner to ethanol, fairly.

We said: What does that mean?

They said: For those who have used MTBE properly, they shall not be liable for any damages that result from MTBE.

I am reminded in my home State, there was a product liability case against a company that delivers more coffee and hamburgers than any other company in the world, McDonald's. The suit was against McDonald's for delivering coffee to the front window of a car and then spilling the coffee on the lap of the purchaser. The purchaser sued McDonald's because the coffee was too hot.

They did not sue Folgers Coffee for making the coffee. They sued McDonald's for delivering the coffee that was too hot. I think that most people would say that is about right. If the coffee was too hot, then let a jury decide whether they ought to be delivering coffee that is so hot. But what if they would have gone off and sued Folgers Coffee because they made the coffee that somebody used wrongly, to wit, made it too hot and burned the legs of a purchaser of hot coffee? That is exactly what is going on with MTBE.

I am not a proponent of it. I did not know anything about it until I got intimately involved in this legislation and then I found that MTBE is a product that has been authorized and prescribed by the Federal Government. It is something that is supposed to be used because the Government says you can use it and it is all right.

In response to the U.S. House insistence, all we have done is say if someone uses MTBE, as prescribed by the Federal Government, they are not liable in damages. We are very narrow. As a matter of fact, we have unquestionably said if one uses it wrong, if they negligently use it, if they spill it, if they throw it around, if they do not handle it properly and damages result, they can be sued.

I do not think that is exactly what my friend from Illinois said, but I believe that is what this legislation says. I believe that is what we did, and I believe there is no other way to do it.

Then we said in the meantime, it is going to be phased out. That is in the legislation, too, that in a certain number of years it cannot be used anymore. Even if it is used right, it is not going to be used anymore. There is something that takes its place.

Across this land, people file lawsuits in product liability cases and otherwise about many things, and we all know about it. Sometimes we look at a lawsuit and we are abhorred to think they could take such a case to court. Sometimes we think, right on, somebody really messed up and they ought to pay for it. But when the House said to us, if you want an ethanol bill, you have to look at litigation that is ensuing out there in America where MTBE producers are getting sued for a valid, appropriate product, okayed by the Federal Government, used properly, and they are getting sued for damages.

They said: We want to limit that. If it is used improperly and causes damages, the suits can go on. Then we argued and said let's get rid of it in due course, and we have language that says what date it will expire in terms of being a product that can be used.

I want to say again, so that everybody understands, the last speaker has suggested that this bill should be killed by cloture, and that is the right of the Senate on any bill. But I suggest to them if they kill this bill by cloture, which I urge that they not do, they have killed ethanol, and I do not know when it ever comes back.

As a matter of fact, if they think it is coming back without some restraint on MTBE legislation that is going rampant in this country, of the type I have described, suing Folgers Coffee because somebody spilled hot coffee on them, that kind of analogy, for those who think that is going to continue on, then they have given up and abandoned forever ethanol. If that is what they would like, then follow the directions and the wishes of the Senator from Illinois who has plenty of farmers who are waiting and wondering what is going to happen to this bill because of what they think is going to be fair treatment, creating a new market over the next decade and the next decade after that for a product that has been on a roller coaster for farmers who have been on a roller coaster.

Having said that, I want to talk to another group of people. Throughout the deliberation on this bill, I have not heard more from any group of Americans and any group of Senators than the group concerned about the issues of wind energy, solar energy, biomass, and related energies. Everybody came to us, day by day, as we put this bill together and said: Senator, you know wind energy is working. You are not going to kill it in this bill, are you? Senator, bioenergy is right on the edge, ready to go. All these different energies are ready to go. In the case of wind energy, it is not only ready to go, it is going. It is beginning to show up because it is working so well.

Let me say to my friend, it is gone; wind energy is finished when you kill this bill. It is gone.

You might say: How can that be? It is moving along right now. In fact, over in Massachusetts they wanted to build some out there and some people didn't want them building them out there in the ocean. I don't know which people around but some. How come? It was being built.

Yes, but existing today is a great big credit, tax credit for solar and for wind. Guess what. It expires very shortly. It is gone, out the window. The people who are building wind in America are up here in the halls, knocking on our doors, and saying: Do you really want to kill wind energy in America?

The answer is: Oh, no, I just don't like the MTBE portion of this bill. But I don't want to kill wind. I want to carve it out and save it.

But you know what, people who want wind, you can't do it that way. Do you think we are going to start over next month writing another bill of this nature because this one was dead on a side issue of the type I have been describing, and we don't have any credit for wind, we don't have any credit for solar? Not on your life. In fact, I don't know when we would get around to it.

We can look back to the day after tomorrow or the day after that and say: There it went. There she blew, like they say out in the ocean. There she blew, right out the window with those who decided they wanted to talk this bill to death.

Then you look around and there are people saying, another group around here, a lot of eastern Senators walking up and saying: What is going to happen to coal? We have a lot of coal and nobody uses it. Can't you do something about that in the Energy bill?

We say we have. We have given as good a credit for research and production of clean coal technology in America as has ever existed. It is in this bill.

In fact, I had one Senator yesterday from the East, somebody trying to

make this an East versus West bill. I don't know how they did that, either. This Senator said: I was wondering what was in this bill for my State—being an Eastern State, a big coal State. He said: I found out that it has the finest set of credits for companies to try to use this great asset called coal that could ever be put in a bill. All of that within this total cost of $2.6 billion a year, on average, over 10 years.

That Senator said: I am voting for it. We have to give coal a shot in my State, said that Senator.

We can go on and on and talk about this. But it is much easier to pick a piece of the bill such as MTBE and state the facts wrong and tell everybody they should not vote for this because of MTBE. But I follow by saying the MTBE situation is not what has been said, and before you decide to kill the bill on MTBE, you ought to remember you don't kill this bill in pieces.

So everybody out there will know who has an interest: You don't kill this bill in pieces. You adopt it all or none.

For those who think MTBE is of that importance as I have explained it here today—and we will be glad to meet privately with any experts around who want to look at it—but if anybody thinks MTBE is of such a proportionate disadvantage to America that we ought to kill the future of windmills and solar energy and we ought to decide we are not going to do any of these other technologies that will develop America's energy base, they are all going out the window.

This Senator thinks in the end the Senators who are looking at the pluses and minuses of this bill may sit back in their chair and say, you know, I might have done it differently. No, Senator BINGAMAN said, maybe he could have done better if he had more time. Yes, maybe they should have given the Democrats more time in the committee. But that same Senator may say: Didn't we do that last year? Didn't we give them all the time in the world and what did they do? Nothing. So we produced something this year.

I will take full credit and full blame that I couldn't figure out how to do this with a regular, day-by-day markup of a bill of this magnitude with input from all sides, and I thought we should have input in a different way. We have established input from the minority party in a different way, there is no question. They got e-mails and portions of this bill as it was produced. They had meetings when they offered amendments. Some were adopted. The last 30 percent of the bill was delivered to them at the end, for them to look at, and they got the message for almost all the amendments were on those things that had to do with electricity and the like. They just didn't win any of them, which usually happens in a conference.

Conferences are usually dominated by the majority party. That is history. That is tradition or whatever you want to call it around here. Many of the early provisions of this bill are provisions that were adopted last year as part of the bill when Senator BINGAMAN was chairman. But we didn't get a bill.

I decided we were going to get a bill. We worked, and worked as hard as people can work, to put one together, and, frankly, you can go through it and find provisions taken all by themselves and say it doesn't have much to do with energy. But I tell you, you can't go through the whole bill and say it doesn't have a lot to do with America's energy future. In fact, I believe we will see the biggest change in agricultural America in modern history with this bill.

Some will say that is not what the bill is for. The bill is for that if, in fact, in doing that we are producing gasoline for automobiles. It is not bad to get the two for one.

Second, this bill is going to produce alternate activities to get natural gas in abundance, and it is also going to produce just about every stitch of natural gas we can produce as a nation without doing damage to our environment, and that will be used by America for American purposes.

I wish we could do more. I wish we could have done more with Alaskan resources. But you know what, everybody knows, you get one thing and you lose something. You move ahead on one and somebody thinks it is the wrong thing and you take two steps backwards.

To get this bill, well over 1,200 pages, on all the subjects we have done, and get it together and get it here this far and get it through the House yesterday by a majority vote of more than 60, a 60-vote plurality or thereabouts, is pretty good.

I am very sorry it is hung up here in the Senate. I will repeat, I have heard quietly—not openly—that some say this is a bill that is for regions of the country. I can't find it. If they would stand up here and say this bill favors the East or the West and show me how, I would be more than glad to go out and look, listen, and try to explain why it isn't. If MTBE, as I have explained, is an East versus the West issue, then I would assume there is no litigation or potential litigation on product liability in nature from the West. I don't think that is the case. If it has to do with resources, we have tried to produce the basic resource that is good for America's future, wherever it lies—whether it is the coal of Pennsylvania or the coal of Wyoming. We have tried to build under it incentives that will make it used more rather than less. We have done that.

In the next few days, we will hear a lot more. Most of it will be about the issues of which I am speaking.

I want to repeat, for those who want ethanol and want it bad and have been waiting 6 or 7 years for it and want a real bill for it, we have exactly what is necessary. That took 4 weeks of debate and frustration galore, but we got what the Senate said we should get. Yes, you can throw it all away because we had to take MTBE, as I have explained, with it. Those lawyers who like MTBE like to tell it one way. I tell it my way because I think my way is right. The lawyers' way probably would be if you were using Folgers Coffee at MacDonald's and coffee was spilled on someone's lap, you ought to be able to sue Folgers Coffee. But if you put in legislation you can't sue Folgers, then I don't think they can come to the Senate floor and argue the way they are arguing about MTBE because Folgers didn't make it hot and spill it. Neither did MTBE get spilled around where it shouldn't be, or used unpropitiously or contrary to the Federal Government standards.

Everywhere you look, there is a smattering of Senators for whom I have great respect who would like to see a nuclear powerplant built one of these days. You can throw them away if you kill this bill. They won't be built. If you pass the bill, there will be a chance there will be one following every law and every rule in the books. We might get one or two. I think that is pretty good.

I am prepared, as are a number of Senators who worked with me, to return to answer as other Senators bring this issue up.

I thank the group that helped work on this bill. They were a mighty group of seven who worked as Senators on our side of the aisle. I thank each and every one of them. They had to learn an awful lot, make a whole bunch of hard votes, and make some very close decisions. Now we are here. I hope we go beyond it and get the bill passed.

I yield the floor.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Nevada.

Mr. REID. Mr. President, on the minority side, we have a number of Senators who are going to speak. I will ask unanimous consent that they speak. I have three who wish to speak now, and we have a time at which they want to speak. If there are Senators from the majority who want to come in between those, that would also be part of the order. I think that would be fair.

I ask unanimous consent that on our side Senator KENNEDY be recognized for ½ hour, Senator CANTWELL be recognized for ½ hour, and Senator DORGAN be recognized for 30 minutes. As I indicated, if there are Senators from the majority who wish to speak following Senator KENNEDY, Senator CANTWELL, and Senator DORGAN, that would be appropriate. If not, we have other Senators who have indicated a desire to speak. This is not in the order which they will appear.

So that everyone knows, there are a number of speakers who want to talk: Senators AKAKA, REED of Rhode Island, FEINSTEIN, STABENOW, FEINGOLD, LANDRIEU, SARBANES, and CLINTON.

I ask unanimous consent that Senator KENNEDY be recognized for ½ hour, Senator CANTWELL for ½ hour, and Senator DORGAN for 30 minutes. If there are Republicans who wish to

speak in between, those Senators will be part of the order.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object—I will not—I ask how you might work this in your schedule. We have been told for some time that Senator MCCAIN would like to speak.

Mr. REID. Senator MCCAIN can come at any time he wants, either after Senator KENNEDY or Senator CANTWELL or Senator DORGAN. Whenever the distinguished senior Senator from Arizona shows up, we always give him the floor anyway.

Mr. DOMENICI. He may be around at 2:30 or 2:45. That might work it out perfectly.

Mr. REID. That would be perfect.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. REID. Mr. President, the other statement I made was just to inform both the minority and the majority that the Members who desire may speak sometime this evening without any specified time or in any necessary order.

The PRESIDING OFFICER. The Senator from Massachusetts.

PRESCRIPTION DRUG BENEFIT

Mr. KENNEDY. Mr. President, the Medicare system is the system which is relied on, trusted, and a beloved health care system which our seniors use just about every day. They know it is always there for many of them. It gives them an enormous sense of security as they are looking down the road towards the future. I was here in the Senate in 1965 when the Medicare bill was passed. It failed in 1964. It passed in 1965. It is generally recognized today across the country that even though the Medicare bill provided for hospitalization and physicians' fees, the one thing that it did not provide for was the prescription drugs.

In 1965, only 3 percent of all of the private health care bills provided for prescription drugs. But now it would be inconceivable that this institution would pass a health care program for our seniors and give our seniors who have paid into the Medicare system the assurance that their health care needs would be attended to because we know that prescription drugs is of such extraordinary importance to all of them.

It will become increasingly clear. We are in the period of the life sciences century. We are seeing these extraordinary breakthroughs in DNA and genes. The Congress has doubled the NIH budget, and the prospects for breakthroughs are just enormous. If we were to see a breakthrough, for example, in Alzheimer's, we would empty three-quarters of the nursing home beds in my State of Massachusetts. The prospects in terms of what these prescription drugs can do and what they are doing today is enormous. Therefore, we have a very important responsibility to get a prescription drug program.

I believe the bill which passed the Senate was a good bill. Seventy-six Members supported it. It was a prescription drug bill.

But the proposal that is coming out of the conference committee failed to meet the basic and fundamental test; that is, to do no harm because the particular proposal that is being recommended by the conferees will do harm to the Medicare system. The House of Representatives adopted important changes in the Medicare system under the guise of a prescription drug program, and they have been accepted in that conference committee. Now, for the first time since 1965, the Medicare system itself is threatened. Many of us are going to do everything we can to make sure that is not the case.

An editorial in the Des Moines Register today gets it exactly right. It says:

> Once upon a time, lawmakers wanted to add a prescription-drug benefit to Medicare. In year one, they failed. In year two, they failed. Now, in year three, the quest for a drug benefit has ballooned into a plan to change the entire health-care program for 40 million seniors.
>
> As a few details about the 1,100-page bill crafted in conference committee trickle out, it's clear another failure this year would be best for Americans.

The editorial concludes:

> Lawmakers need, once again, to go back to the drawing board.

Effectively, what they are saying is that no bill is better than a bad bill. This is Des Moines Register. They get it right.

The editorial continues:

> This time they should try a new approach: Focus on holding drug prices down, keep 40 million seniors in one buying group to leverage lower prices, open up the global market on drugs to Americans, and remind themselves their job is to serve the interests of the people, not industry lobbyists.

There it is, Mr. President, the Des Moines Register gets it. This proposal will do virtually nothing for keeping prices down.

Access to prescription drugs and costs to senior citizens are the two elements with which our seniors are concerned. This bill does virtually nothing regarding costs. It is flawed in its effort to provide prescription drugs by undermining Medicare.

This conference report represents a right-wing agenda to privatize Medicare and force senior citizens into HMOs and private insurance plans. I guess seniors should not get to choose their doctor and hospital, they just do not know enough. That choice should be made for them by the insurance company bureaucrats. The conference report includes no serious program to reduce the double-digit drug price increase. The attitude of the special interests who hijacked this process is clear: Control senior citizens, not drug costs.

The day this program is implemented, it will make millions of seniors worse off than they are today. It is an attempt to use the elderly and disabled's need for affordable prescription drugs as a Trojan horse to destroy the program they have relied on now for 40 years. It is an enormous giveaway to the insurance industry and an enormous take-away from the senior citizens.

The new study that has just been released today indicates, when this program goes into effect, the HMOs and private insurance industry will increase by more than $100 billion if this bill passes. That is more for the private insurance companies and for the HMOs. No wonder our Republican friends and the insurance companies are for this bill. No wonder senior citizens are against it.

The more senior citizens learn of these problems, the more they oppose the legislation. In a poll released this morning, only one in five older voters, 18 percent, say this bill should be allowed to pass in its current form. In fact, 59 percent of the AARP members agree with Democrats that this bill does more harm than good.

Regarding the drug plan itself, even before getting to the problems of privatization and the subsidies for HMOs that are in this bill, older voters oppose the drug plan by 65 to 26 percent. In fact, only 27 percent of all seniors say they would bother to enroll in this plan at all.

Seniors are deeply concerned about the way Republicans have hijacked the drug plan to undermine Medicare. They oppose the subsidies for private plans, 65 to 23 percent. In fact, among the AARP members, opposition to the subsidies is even stronger—68 percent to 19 percent. Older voters oppose the cost caps on Medicare services, 60 percent to 26 percent. And they are deeply concerned, 64 to 26 percent, about the failure of this bill to control drug costs to allow drugs to be reimported from Canada.

As elected representatives of the people, we pass this bill at our peril. In fact, by a margin of 3 to 1, older voters are saying they are less likely to support politicians who support this bill.

It is important to understand how we got to this point. We started in the Senate with a bipartisan bill to expand the prescription drug coverage. A bill passed with 76 votes. The Senate solidly rejected the President's plan to privatize Medicare by telling senior citizens they could only get the prescription drugs they needed by joining HMO and other private insurance plans. That was the position of the President in the spring of this year: You are only going to get prescription drugs if you join an HMO or private insurance plan. You will not be able to under the Medicare system. Then the administration shifted.

But the House took a different course. They realized the President's plan would not be accepted by the American people, so they passed a more subtle proposal, one that tries to privatize Medicare by stealth. Their

only problem was it was not stealthy enough. That is why it passed by a slim partisan majority of one vote in the House of Representatives—one Republican vote.

Now the conference has been hijacked by those who want to radically alter Medicare and to privatize it, to voucherize it, to force seniors into HMOs and private insurance plans. The bill the Senate will consider shortly is not a bill to provide a prescription drug benefit. It is a bill to carry out the right-wing agenda. It allows the elderly to swallow unprecedented and destructive changes to the Medicare Program in return for a limited, inadequate, small prescription drug benefit. This conference report is so ill conceived that not only does it put the whole Medicare Program at risk, it makes 9 million seniors, almost a quarter of the Medicare population, worse off than they are today. I will illustrate that in one moment.

On issue after issue, this report abandons the bipartisan Senate bill and capitulates to the partisan House bill. On some issues it is even to the right of what the House passed. One of the most important of these destructive changes is a concept called premium support. It should really be called ''insurance company profit support'' or ''senior citizen coercion support.'' It replaces the stable, reliable premium senior citizens pay for Medicare today with an unaffordable premium for the future. Here is how it works.

Today, the Medicare premiums are set at 75 percent of the cost of Part B of the Medicare Program, the part that pays for doctors' care. Beneficiaries pay the remaining 25 percent. The premium is the same no matter where you live. It is universal whether you live in Key West or Portland, ME, whether you live in Takoma, WA, or whether you live in San Diego. You pay the same premium. You pay into the system and you pay the same premium. It increases from year to year at the same rate as the Medicare increases. It is stable. It is reliable. It is now $58.70 a month Part B premium and $704 for the year.

Premium support would change all that. The senior citizens can choose, if they want to, get their Medicare benefits through HMOs and other private insurance plans. The Government pays these plans approximately the same amount it costs Medicare to provide the services. The senior citizens pay at least the same Part B premium to enroll in the plans they pay for the regular Medicare, but the plans can charge more if they offer additional services or lower copayments. If the plans can provide services more cheaply than Medicare, they give the difference back to the beneficiaries in the form of better services or lower copay without additional charge.

Senior citizens who choose the private plans may get some additional benefits, but the senior citizens who prefer to keep the freedom to choose their own doctor are not penalized. And 9 out of 10 seniors have chosen Medicare over Medicare HMOs.

What happens, as everyone knows, is the insurance companies cherry-pick and get the healthier and younger seniors. Therefore, it costs them less, although they get the payment that would otherwise be going into Medicare. So we have the healthier ones leave and the sicker ones remain in the Medicare system. That is what has happened today. There is no reason it will not happen in the future. As a result, we will get increases in the cost of premiums under the Medicare system.

This chart reflects what the Medicare actuaries—not what I estimate but what the Medicare actuaries—estimate would be the national average for seniors. It would be $1,205. And their estimate national average for premium support, the current estimate, would be $1,501. And 2 years ago they estimated the national average was $1,771.

The fact is, no one knows what the premiums will be. You are playing roulette with premium support. Here we have a swing of $300 in estimates, estimates made by the Medicare actuaries. It could be $1,205, but under this bill for those who fall into the trial category, they will be paying at least $1,500 or the $1,771.

Look at this chart. Let me give you a few examples of the disparity. Again, this is from the Medicare actuaries. If you live in Massachusetts, and in Barnstable—that is primarily Cape Code—the premium for Medicare will be $1,400. If you live in Hampden, it will be $900. That is a $500 difference.

Today, everyone pays in the same amount and they get the same premium on it. Under this legislation, everyone is going to be paying in, and if you live 100 miles apart, you are going to get a $500 disparity in the payments under the premium support system. This information is from the Medicare actuaries. This is the kind of roulette our seniors do not want.

Here is another example in Florida. In Dade County, the best estimate from the Medicare actuaries is you will pay $2,050; and in Osceola County, you will pay $1,000; you will be paying twice as much.

How do you explain that to the seniors? How do you explain that they pay in and their premiums are going to have this amount of swing to them? No one can accurately predict with any certainty, but we are buying this program? It is untested, untried. It is the greatest social experiment with whom? With our senior citizens. Why? Because there is going to be all kinds of money in there for those private insurance companies and those HMOs. That is what it is about—risking the Medicare system.

Here we have the example in Los Angeles, $1,700; in Yolo, CA, $775. And in New York City, $2,000 if you live in the Queens area; $975 in Erie. This is the Medicare actuaries' data, these premiums and estimates. And that is the element that is written in this bill.

Now you hear our colleagues who defend their proposal say: Well, Senator, this is really just a trial program. It is not going to be anything more than a trial program.

Well, they are going to have five what they call MSAs, metropolitan statistical areas. If you take five metropolitan statistical areas and then you take one small one—here they are—if you take the States of New York, New Jersey, and Pennsylvania, that is 2.6 million people who are affected. For California—Los Angeles, Long Beach, Santa Ana—that is 1.4 million. For Illinois, Indiana, Wisconsin, that is 1.1 million. For Florida it is 833,000; that is Miami, Fort Lauderdale. For Pennsylvania, Delaware, Maryland, New Jersey, that is 866,000. And then take a small one, Nevada—Reno and Sparks—47,000. So 6.8 million of the 40 million; you are almost up to a quarter who are going to be included in their program, who are going to be subject to these kinds of swings.

They call this a demonstration? This is a Mack truck. This is not just a small Volkswagen, it is a Mack truck, and they are calling it a Volkswagen. And seniors ought to understand it. So that is one threat.

Now, listen to the second threat. We say, well, what about the risk?

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has used 18 minutes.

Mr. KENNEDY. Fine. Let me know when I have 3 minutes left.

The PRESIDING OFFICER. I shall.

Mr. KENNEDY. Now, on the second situation, our Republican friends say: Well, we believe in competition. With competition we will get the best health care for the best price and the best cost. Oh, we say, well, how are you going to do that?

Let's see what is in the bill now that you say that is what you want to do. You think you have competition in this proposal? Let me show you and explain to you how this is a rigged proposal.

First of all, in this legislation they give to all of the HMOs and the PPOs a 9 percent increase in the cost of living over what they give in the Medicare—9 percent. Nine percent? Nine percent? Why are they doing that? Because: They think they ought to get it. They want competition.

The second point that is in this bill is that those who are in HMOs today and in the private insurance companies are 16 percent healthier than those in traditional Medicare. That is not my estimate, that is CMS's estimate, the agency which provide the reimbursement. That is their estimate.

You add these two together and you get a 25 percent subsidy for every private plan and every HMO. They call it competition. I thought competition was an even playing field. This is not an even playing field. And who is paying this additional 25 percent? Our seniors are. It is coming out of their payments. It is coming out of the Medicare

trust fund. It is cutting out the benefits they ought to have. That is ridiculous. That 25 percent should be reinvested in the drug program, not used as a subsidy for the private sector.

Now, we say: Well, you have that 25 percent on that. If you looked through, you would say: Well, that is a pretty big chunk of change for it. You think they would be happy with that, wouldn't you? No, no, no, no, Senator KENNEDY, we are not even happy enough with that. We are going to include, on top of the 25 percent subsidy, a $12 billion slush fund in this bill—$12 billion. So 25 percent is not enough. We will be able to provide hundreds of millions—hundreds of millions—billions of dollars to those HMOs, some of which made more than $1 billion last year. Some of those CEOs are getting paid more than $22 million a year. And we are going to take $12 billion more on top of the 25 percent and use that as a slush fund.

Talk about an even playing ground. What could that $12 billion provide for? These are the leading diseases about which our elderly are concerned: Arthritis, osteoporosis, diabetes, cholesterol, acid reflux, thyroid deficiency, and depression. That $12 billion could provide for 11 million of our senior citizens who suffer from arthritis a year, or 12 million who suffer from osteoporosis, or 11 million who suffer from depression, or it could be used for those who suffer from high cholesterol, right on down the line. That is what it could mean for our senor citizens. But, oh, no, this conference said no, we are going to take that and add that in. Not only are we going to threaten you with this premium support program, you will never really know what your premiums are, except that they are going up.

I want to take just a few more minutes about this proposition. I had mentioned earlier that the day this bill passes, you are going to have 9 million of our 40 million Americans who are going to be worse off and pay more. Do we understand that?

On top of what I have already explained—the completely unfair playing ground that is so tilted towards those who do not support Medicare—now we are saying to our elderly that between 2 million and 3 million—and closer to 3 million.

Low-income seniors pay more. Six million of them will be receiving Medicare but also receive Medicaid. The conference proposal denies States the ability to provide wraparound coverage to those low-income seniors. Instead, a uniform Federal co-payment is imposed, and it is indexed, so that it goes up every year. Their out-of-pocket payments for drugs will be raised, and they may not even have coverage for the drugs they need the most. If they need a drug that is not on the insurance company formulary, they will have to go through a burdensome appeals process. Most will simply go without.

Every one of these 6 million will be paying more. Maybe it is $2 a prescription, but if you have three prescriptions, that is $6. You may have to get a refill every other week, and it begins to go up, $24, $25. Nine million lose the day this passes. Let's keep our eye on these 6 million low-income seniors.

Prescription copays hurt the very poor. You will have almost double the amount of serious adverse events when seniors don't take those medicines. Emergency visits go up as well, double the amount. For those 6 million, these are the statistics from all the health care studies. Not only will they be paying more, but their health condition will be threatened. It makes absolutely no sense from a health policy point of view.

One of the most important aspects of the legislation passed in the Senate was to say we were going to make sure that the asset test, which has been around for many years, the asset test for the very poor would no longer be in effect. As a result, we took steps with regard to prescription drugs that we haven't even done with regard to Medicaid. The Senate bill really reached down for the poorest of the poor elderly.

We said: OK, maybe you can have the car, $4,200; you can have the personal savings, $2,300; you can have even a $1,500 insurance policy and a burial plot for $1,500, and we were not going to hold that against you. People who had worked all their lives perhaps had those.

What do our good Republican friends do? They reimpose the assets test and say, if you have that, you are not eligible. Three million of the poorest of the poor are dropped out of coverage under this proposal. That is enormously unworthy of the proposal.

I want to mention an aspect of this because I am running out of time. I have mentioned that we have the premium support which is going to threaten the Medicare system. We have the subsidy programs which are going to threaten the whole Medicare system by enticing, coercing, bribing seniors out of that, and then letting the Medicare system collapse right in front of them.

Then they have added another program which they call health savings accounts—what used to be called medical savings accounts—which provides billions of new tax breaks for the healthy and the wealthy. The money that should have been used in this bill to provide additional prescription drugs, they have taken billions out to provide for this new program. They encourage the healthy and the wealthy to take high-deductible policies, policies that require you to pay thousands of dollars before you get benefits. That is fine for people who can afford to put money into tax-free savings accounts but it is not good for ordinary working Americans.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. KENNEDY. The Urban Institute and the American Academy of Actuaries have estimated that the healthiest people are pulled out of the risk pool for regular comprehensive policies by these accounts. Premiums skyrocket, if this policy becomes law. If you want to keep your insurance policies, you can see your premiums increase as much as 60 percent.

The Urban Institute estimates that premiums, and this will be for all those who are employees working in small companies all across the country, once this program gets started, could increase by over 60 percent and the American Academy of Actuaries have estimated that premiums would jump $1,600.

Why are we doing this? Why are we taking a chance with the Medicare system? The American people and our seniors have confidence in Medicare. Why not just do what we did in the Senate in a bipartisan way and have a good downpayment rather than threaten the Medicare system?

This was the wrong way to go. This bill does not deserve the support of the Senate. I hope it will be defeated.

The PRESIDING OFFICER. The assistant minority leader.

Mr. REID. Mr. President, the distinguished senior Senator from Arizona has called and wishes to speak following Senator CANTWELL. I ask unanimous consent that that be a part of the order, following her statement, the Senator from Arizona, Mr. MCCAIN, be recognized for whatever time he may consume.

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

The Senator from Washington.

Ms. CANTWELL. Mr. President, how much time do I have allocated to me?

The PRESIDING OFFICER. One hour.

Ms. CANTWELL. If the Chair will notify me after 40 minutes.

The PRESIDING OFFICER. Yes.

Ms. CANTWELL. We are now going to go back to the Energy bill. I know many of my colleagues have already been on the floor today discussing the conference report that is before us. While I think my colleagues have done a good job of outlining some of the most egregious parts of this legislation, because it certainly is shocking legislation, the point I would like to make in the next few minutes is about how we got to this process and how America is very disappointed in what we have come up with as far as a conference report.

It should be no surprise to people here when they find out that this bill has basically been drafted in secret without a bipartisan effort, without a lot of daylight shown on the details of the legislation until just this weekend. Now many people are curiously reading through various aspects of the legislation trying to understand all the giveaways, all the subsidies, and whether it could possibly mesh into any kind of comprehensive energy policy. I think the bill is a disaster as it relates to moving us off our foreign dependence and coming up with a concrete energy

policy. It should be no surprise, when this energy policy legislation started with a task force meeting with the Vice President in which no input was given, no open session as to what was being discussed.

That a bill is brought here to the House and Senate that ultimately included a conference report drafted in secret makes it very difficult for us to have good legislation. But don't take my word for that because I do want to discuss the policy ramifications. Let's talk about what America is saying.

In the last 24 hours, we have had a variety of people around the country, particularly in the press, look at this legislation and actually make editorial comment on it. When I woke up this morning and saw the stack of editorials that are before us on each Member's desk, I was shocked to read the detail and comments from newspapers all over the country. That is good news because it means America is watching this energy policy, that those of us in the Northwest who have suffered from Enron market manipulation are not the only ones watching, that those in New York who have suffered through blackouts are not the only ones watching, that people all across America are.

In fact, the question is, Are we better off having to pass this Energy bill or are we better off without it?

I will take from what the Great Falls Tribune said:

Once again, let this energy bill die.

Why would somebody say that? Some of my colleagues are trying to say this Energy bill actually has a concrete policy. According to the Great Falls Tribune: We are as certain today as we have been for a of couple years that no Energy bill is a better option than the bills being hashed around in the marble halls of Washington, DC.

Other newspapers have said this bill should be a ''do not pass go.''

The Minneapolis Star Tribune, again an independent newspaper organization, that probably, if it took a close look at this bill, saw there were some projects that the State of Minnesota could benefit from. Yet they say the Energy bill is a fine target for filibuster. A newspaper organization in a State that actually has energy projects in this bill thinks we should filibuster this bill:

The energy bill unveiled over the weekend is wrong headed policy prepared in a high handed way, fitted with perhaps enough gifts to selected opponents to buy its passage. It's an abusive approach to lawmaking, egregious enough to deserve—indeed, to invite—a filibuster.

That is from a State that has energy projects in it. So this is a national energy policy, which some, such as colleagues on the other side, like to talk about. According to the Houston Chronicle, in a State that would benefit in the millions of dollars from different subsidies and sweetheart deals in this legislation, they say:

Fix the Flaws.

A bill setting out a national energy policy should encourage conservation, investment and new technology; increase available energy; make the distribution system more reliable; and reduce pollution from burning fuel. The energy bill unshrouded Monday by congressional Republicans is, at best, half of a loaf that has been dropped repeatedly in the dirt.

Some people say this was a process, it went through committee hearings and through all sorts of hearings, and we had discussions on the floor. I remind my colleagues that we got to this point on July 31 of this year where we could not agree on an energy bill. I personally thought we should hold the bill up at that time and send it back and basically make the point that it wasn't going to be a successful product, hoping my colleagues would go back to the drawing board and get more bipartisan legislation.

What happened was, we got so desperate, we passed last year's Senate bill and many of us said: We know what will happen. They are going to take last year's Senate bill and dump it and overreach in the conference because it will be controlled by the Republicans, not in a bipartisan policymaking fashion, but they are going to overreach. A lot of people say this has been written by the energy lobbyists.

The Philadelphia Inquirer said:

The Energy Bill: Lobbyists Gone Wild.

They say:

After all, there's something for everyone here. Everyone, that is, with enough dough to finance a lobbyist's next pair of Gucci [shoes].

It is amazing that so many newspapers have so much on the ball and took time in their editorial pages in the last couple of days to shine the bright light on this policy that has been drafted in the dark and not in a bipartisan fashion.

The Chicago Tribune said:

Energy Legislation on the Fly.

If those problems don't sink the bill, the process by which the Republican majority cobbled it together certainly ought to. Democrats literally were locked out of the final negotiations, and now Congress—and the public—have about 48 hours to digest and evaluate the contents of this mammoth document. This is no way to craft sensible national energy policy.

That was the Chicago Tribune.

My colleague, Senator DURBIN from Illinois, has been out here talking about the MTBE provisions and how those who might be affected by that and the public might become deep pockets on what really is the responsibility of individual businesses. But I think he should be very proud that his hometown newspaper is trying to educate people all over Illinois who might think, gee, what is wrong with this bill? Probably ethanol provisions are in it, and it ought to be a good bill. They are actually doing the work to show that this is quite controversial.

Another newspaper, the Milwaukee Journal Sentinel, wrote something pretty humorous:

Indigestion Before the Holidays.

The Old Testament is only slightly longer and is a lot more readable. . . .

We should take our time with this bill.

The St. Paul Pioneer Press is obviously pointing to what Members would refer to as pork-lined elements:

Energy Bill Lavishes Billions to Drill . . .

I don't think that is what we thought the future energy policy of America would be—lavishing billions to drill. We thought we were going to have an energy policy that was about innovation, technology, about moving forward on conservation, and about alternative fuels. Not that we didn't think we were going to continue to use some fossil fuels, but we didn't think we would lavish billions on them.

We also heard from USA Today. At a time when we have ballooning deficits, what is this bill doing to help us get on the right track? They said:

Costly Local Giveaways Overload Energy Plan.

The Nation can't afford an energy program that drives up the Federal deficit without addressing critical problems.

Part of this is not addressing critical problems. There are many aspects of this earlier legislation draft that I think could have gone a long way toward getting us on track with jobs, along with the Alaskan natural gas pipeline, that probably are not going to come about now, which could have gotten us further ahead on a hydrogen fuel economy and would have established U.S. leadership in that new technology. Yet that was left out of the bill.

The Wall Street Journal, which I think has followed the energy debate very closely, was shocked to find out in the last couple of days:

The fact that it's being midwifed by Republicans, who claim to be free marketers, arguably makes it worse. By claiming credit for passing this ''comprehensive'' energy reform, Republicans are now taking political ownership of whatever blackouts and energy shortages ensue. Good luck.

Why is that? That is the Wall Street Journal, and it is basically putting these issues that have happened in America already—energy blackouts and shortages—on the other side of the aisle, on their lap, and saying this policy isn't going to work.

I have to say, as a former businessperson, we have had a lot of debate about standard market design and regional transmission organizations. I want to see free markets work. But free markets work when there is transparency and when there are rules in place. This legislation does very little to provide for transparency in the market. I think that, along with many of the other items of oversubsidization and special interest initiatives in this legislation, is what drew the Wall Street Journal to say it is not a good piece of legislation.

What else do people say?

The Concord Monitor basically said this is:

Abuse of Power: The Federal Energy Bill is Ultimately Worse Than No Bill At All.

That is what America is starting to understand—that this policy is worse

than no bill at all. It is a disappointment that we are at this stage of the ball game, and I have to say as a member of the Energy Committee for the last almost 3 years, before joining the committee, I talked to colleagues and former members about joining that committee. People pointed out to me that it had been almost 10 years since the last time we had an energy bill pass out of that committee. Who knew whether we would have an energy policy in the future? I think it is safe to say, with this product in front of us, we bit off more than we could chew by cobbling together a bill that is not really centered around the future energy policy but is specific giveaways to individuals so that they will buy in on support of this legislation. But it is worse than I could have imagined, and certainly doing nothing is better than this legislation.

What about the blackouts? I know some of my colleagues would like to say this is legislation that is going to move us forward in this area. I can tell you what the Providence Journal said:

Energy Gridlock.

Unfortunately, Congress seems intent on passing a bill that does nothing to make our energy supply cleaner, safer, or more affordable, and certainly does nothing to prevent a major failure. We hope that it won't take another huge blackout for Congress to see the light.

That was written in the last week or so.

I have a lot to complain about here because my predecessor—we had a blackout in the Northwest prior to New York's, and my predecessor, former Senator Slade Gorton, actually proposed reliability standards and a process for moving forward so that the industry was accountable for energy supply and standards that would prevent us from having blackouts.

What happened? His legislation actually passed out of the Senate and got held hostage in the House because the industry wanted more deregulation before they were going to put reliability standards in place. How is that responsible?

Now we are moving forward on an energy bill that basically, at best, as it relates to FERC and its jurisdiction and responsibility, is confusing and muddling. We do nothing about the market manipulation issue of Enron in this legislation.

While I would like to believe the reliability standards will help in some ways, I don't know, given the overall aspects of the bill, that they are going to be as helpful as we need them to be. Why should we have to be told that you have to swallow the whole energy policy that is bad for America just to get reliability standards so people in New York or Ohio or Michigan can be sure their lights will turn on at night? That is a ridiculous policy. This body should have passed reliability standards as a stand-alone bill when Slade Gorton proposed it, and it should have passed it as soon as we came back after the August recess.

I am amazed again at how many newspapers across the country are writing about this bill. We talk about, obviously, some of the Clean Air Act and Clean Water Act issues, and I will get to those in a minute.

The Fresno Bee calls this legislation ''political wheezing.''

They say:

The valley representatives in Congress have put a particular stake in this fight. The problems of air pollution, especially diesel particulate matter, are worse here than anywhere else, and we must do everything we can to address this.

What about the Ventura County Star newspaper talking about the obviously bad coastal oil and gas language? Every year on the west coast there is a battle that goes on. Basically, we have had for 20-some years now a moratorium on drilling off the coast of Washington, Oregon, and California. While that is an Executive order moratorium, we always have to worry that some interest or some group is going to try to lift that moratorium. It happens every year, and every year in an appropriations bill Congress continues to say: We want a moratorium on drilling off our coast of Washington, Oregon, and California.

Why do we have to drill there? We have marine sanctuaries. We have terrific problems with tanker traffic and a variety of other issues. We have had spills off the coast of Washington that have caused incredible damage. Why do we have to worry now about legislation that makes that issue more cloudy by saying you could give the Secretary the power to expedite and approve a process on this? What did the Ventura County Star say?

They said:

Instead of trying to continually slip in language that harms the Nation's coast lines, puts thousands of communities at risk of an economic and environmental disaster, Congress should be focused on the public's welfare, the environment, and the rights of States to protect their residents.

This bill undermines those rights. It undermines States rights, it undermines the rights of individuals, and it will leave our shorelines less protected.

What did the Nashville Tennessean say? It said:

An energy bill without savings has no steam. The President and his allies have built an energy policy on their convenience—

On their convenience.

When they are willing to build on conservation, then they'll have an energy policy that will work for all Americans.

Makes sense, doesn't it? The bottom line is, this bill is what some people are saying. It is about Hooters and polluters. It is about special interests. It is not about a conservation policy that is good for America, and it does very little to get us off our dependence on foreign oil. America deserves better.

If our generation has been smart enough to put a man on the Moon, our generation can be smart enough to get off our dependence on foreign oil, but we in this body have to do our job. We have to draft an energy policy that has a vision, that has a focus, that has the right incentives and ask America to step up and help with this process.

I wish to continue with a few other charts. The Orlando Sentinel agrees with what I have just articulated and that is a concern about this Energy bill and where the focus is for tax breaks.

The Orlando Sentinel said:

Start over: The energy bill before Congress is worse than what exists.

Why do they say that? They articulate:

Two-thirds of the tax breaks will go to the oil and natural gas and coal industries, helping to perpetuate this country's dependence on fossil fuels.

A lot of people hear about these tax breaks and think we are talking about new technology, either smart metering, wind energy, or something—even clean coal. But the clean coal percentages of the dollars spent on tax incentives in this bill are very minor as well. So we are spending money on subsidies, but we are spending them in the wrong direction.

What does America say when you ask them about this? What do they say when you say: Gee, here's the choice. The question to them is, Do you support giving subsidies to oil and natural gas companies and giving tax incentives. Basically, when you read a description of this, the majority of voters in this country, 55 percent of them, think Congress would be better off if we didn't pass this legislation. A majority of Americans are already saying they are not interested in this legislation.

This bill is about as bad as it gets. Obviously, I am encouraging my colleagues to vote no. As the Atlanta Journal-Constitution said:

Put backroom energy bill out of country's misery.

It goes on to urge, when Members of Congress have the chance, ''Members of Congress who remain committed to a more rational energy policy . . . shouldn't hesitate to reject it.

I have just read for my colleagues, not my thoughts, but the thoughts of newspapers around the country. Why did I do that? I am sure my colleagues can read. I know they have busy schedules today. I know they have these editorials on their desks. I spent time to do that because I want them to know that America is watching, and America expects us to stand up and do the right thing. This bill that we have had very little time to really understand, and basically on this side of the aisle have been shut out of the process as it relates to the conference report, are trying to respond in very short order to say that this bill is a mistake. I want my colleagues to know that the rest of America is watching.

Some of these issues my colleagues have gone over before, but I want to articulate a few of my objections to this legislation because I think it is important for America to understand the various aspects of this legislation.

First, there are a variety of environmental laws that are basically undermined by this legislation: the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, the Outer Continental Shelf public lands issues. I ask myself: Why is it that we have to undermine current environmental law to have a national energy policy? I have sat on the Energy Committee in various hearings about public lands, about energy companies, about getting more supply. I have not heard an industry show up and testify that they have to do something about the Clean Water Act, but this legislation does undermine the Clean Water Act. It exempts all construction activities at oil and gas drilling sites from the coverage of runoff requirements under the Clean Water Act.

Is that what America wants? Is America so desperate for new oil and gas drilling sites that they say the runoff at those sites are something from which those particular industries should get an exemption? Everybody else who is a developer in America has to deal with runoff. It is not an easy problem.

We set a priority. We said we wanted clean water in America and so we set standards. So why would we let new oil and gas construction out of that?

We, obviously, care about clean air. Why do we have to have an energy policy that basically changes clean air attainment levels that we have already set in policy just to get new energy construction? Is that what the Congress thinks the message ought to be? Obviously, this legislation is a rewrite of existing law and it postpones ozone attainment standards across the country. This is a matter that was never considered in the House and Senate bill and that has now been inserted into the conference report. That is what one gets out of a secret process. They get bad legislation as it relates to some of our strongest environmental laws.

Now, why does a national energy policy have to step on safe drinking water? Are we in such desperate straits to get energy supply that we are willing to say there can be an exemption from safe drinking water? The provisions in this act basically remove an oil and gas extraction technique from regulation of the Safe Drinking Water Act.

Hydraulic fractioning is a process by which water, sand, and toxic chemicals are injected into rock so the oil and natural gas that they contain can be extracted. So if we do that in some large body of water within my State of Washington, somehow that company that is involved in that technique does not have to meet the regulations under the Safe Drinking Water Act?

Somebody who is going to explore for that kind of oil and gas, is it so important for us to have that that somehow we are going to say they do not have to meet safe drinking water standards? I do not understand that.

I already articulated a little bit our concerns about public lands. Since when does an energy policy for America, that ought to be focused on a hydrogen fuel economy, about energy efficiency, about fuel efficiency, a whole variety of things, have to have an assault on public lands?

When drilling on those public lands, one has to pay a royalty. Oh, but under this bill now less is paid because we are forgiving some of those royalties. Why? Because we want to incentivize more oil and gas drilling on public land.

Why? If we look at the research that shows where the availability of oil and gas is, it basically shows on most public lands it is uneconomical; it is hard to reach. One cannot get that far on the access to public lands to make it even efficient. So why now further incentivize it by saying we are going to make them pay less in royalties?

The other thing is it creates this new entity—I do not know what one would want to call it. I do not know if it is the Cheney committee. I do not know what it is, but somewhere in the White House this legislation says now there will be an organization that plays a policy role on expediting oil and gas drilling and making sure that if it is about waiving access to public lands, this group will help get the job done. I do not understand why we have to go through that process of dealing with our public lands to make energy policy work in America.

I think there are many other things we should be doing. Let's talk about a few other things, because I know that I have colleagues who want to chime in on this, but I have to mention a few other things that I was shocked to find in this legislation.

As a Member who spent many hours on the electricity title, I do not understand why this bill has to have an exemption for Texas. Why does the State of Texas get out of compliance with the electricity title as it relates to electricity market rules, market transparency rules that are so important to making markets work, basically protecting the consumer? Texas gets protected from the cost shifting that happens in transmission construction, but the rest of us in the country do not get to be protected.

Now, I wanted to bring this issue up when we were debating this bill in July but we decided, because there was so much turmoil, to take this out and to basically go back to the Senate Democratic bill passed from the previous year just to try to get something going. As I said earlier, now we know what the end result was: A bill in secret in conference that has all sorts of things in it, including this exemption for Texas.

In the electricity title, after what we have seen in California with deregulation, as we have seen with various market manipulation activities, we want better rules. We want transparency. We want things to work and to have individual utilities held accountable, but we are going to exempt Texas. Some of the people have said, well, Texas is not tied to the rest of the country so for some reason Texas should be exempt from this.

Here is the facility right here. This facility does interstate and intrastate commerce and is connected, and if this electricity title is good enough for Washington, good enough for New York, and good enough for Ohio, it ought to be good enough for Texas, too. They should not have an exemption in this bill.

What about the sweetheart deals in this legislation? I could go on actually forever about the sweetheart deals in this legislation. My favorites are the $1.1 billion for a new nuclear facility in Idaho. Not that this Senator has an out and out opposition to nuclear facilities. We have some in Washington State. I spend a good deal of my time talking about Hanford cleanup and the billions of dollars taxpayers have spent on trying to clean up nuclear waste. But why are we going to spend $1.1 billion for a new nuclear facility in Idaho to see if nuclear power can produce hydrogen? There are thousands of ways to produce hydrogen. You do not have to have a new nuclear facility to do it.

My other favorite little part of the sweetheart deal is basically a process in the bill in which DOE can help pay for and finance the transmission hookups that might end up being used for a coal company in Texas.

My colleagues might say, well, geez, if someone has new power and they want to put it on the transmission grid in my State they get in line. If they have capacity and they want to be added to the grid, they come to the Bonneville Power Administration and work with them about how they are going to add capacity to the grid, but they do not have DOE coming in and basically saying they will help them get connected and get capacity to the grid.

That is just part of the aspects of this legislation, the many sweetheart deals. I am sure many of my colleagues are going to go through this and talk in more detail about some of this legislation, but this energy policy, more than anything else, is a missed opportunity. Instead of incentivizing the right programs, we are spending $23.5 billion in tax incentives where only a small percentage of them go to the renewables, conservation, and energy efficiency that America thought it was investing in when it heard about this energy policy.

The whole provision that we talked about dealing with hydrogen fuel, which was an investment in goals and basically a process for us to get to a hydrogen economy, have been thrown out of the legislation. The only thing that remains is sort of a small incentive for that.

What about creating the clean energy economy of the future in which we thought we could estimate a creation of 750,000 jobs in America over the next 10 years by focusing on these energy efficiencies? Well, if they are spending

$23.5 billion and only have 32 percent going to that, those 750,000 jobs are never going to be created in America.

I know my colleague from New York wants to speak, and I know I have other colleagues who want to speak, so I will try to wrap up, but I feel disappointed for the policy opportunity that is being missed. America wants to know what this legislation is about. They want to know where we are going with energy policy. This policy could be far more reaching in response, not just to the crises that we have had in Washington, California, and Oregon, and not just to the policies of blackouts or the fact that these institutions, the House and the Senate, have not passed a reliability standard that would give people in New York and other places in the country the kind of security they need. We are missing a big opportunity to be leaders in energy policy in the world. You might hear some people say we are going to get this national grid. It is not about a national grid. I guarantee we are not going to build a national grid and ship power from Seattle to Miami Beach, and anybody who tells you that they are going to does not understand energy policy. A national grid is not about shipping power all the way across the country. We are entering an era of distributed power. That means you produce power closer to the source and to the individuals who want to have it.

What do you do now that you have hydrogen fuel cells? You have new forms of energy that can connect to the grid. What do you do to make that a reality? First of all, you obviously provide the right transparency and stabilization of the system and give oversight to an entity that hopefully does its job. Obviously FERC, in a lot of instances, has failed to do its job. But you create these decentralized energy plans in which individuals can connect their power source and their generation to the grid and have it delivered in that region. That is the most economical delivery of energy. That is the future.

This bill does not invest in that. It does not invest in net metering, which would basically have a framework for people to understand how to get their power source onto the grid. It doesn't invest in an interconnecting standard by which everybody could start understanding how they could connect to the grid. It doesn't even set standards for some of these new technologies that everybody wants to be part of developing. There should not only be a national standard for the United States on how to build a hydrogen economy, it ought to be an international standard so the United States can be a leader in job creation in that new economy. But that is not in this bill.

As bad as this legislation is, and it is bad, my colleagues should make no mistake; this bill should not pass. But the tragedy is that America is not grabbing its future opportunity to both get off of its dependence on foreign oil and also to invest in an energy economy that will produce jobs and have America lead the way in new energy technology. Let's not embarrass America by passing this bad legislation that undermines environmental laws, that puts the tax incentives in the wrong way, runs the deficit up without giving us a return on jobs, that basically does little to address the market manipulation and blackout situations that happened in the past and, as I am sure my colleague from New York will talk about, really sticks some Americans with the deep pocket expenses of cleaning up waste.

Let's not pass this legislation. Let's listen to America. Let's listen to what those newspapers are saying because they are the first shot at this legislation and they understand. Let's go back to work, even if it means next year. Let's go back to work and let's put an Energy bill together that America can be proud of. Let's make it a goal of our generation that we are going to get off our foreign dependence, but we are going to do it the right way—the Members of this body will work together to get that legislation done.

I yield the floor to my colleague.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from New York.

Mr. SCHUMER. I only need 5 minutes of time, and I can yield back the rest of my time to my colleague from Washington to finish. I know she had an hour.

How much time remains?

The PRESIDING OFFICER. There remains 21 minutes.

Mr. SCHUMER. I ask unanimous consent I be given 5 minutes, and the remainder of that 21 minutes goes back to my colleague from Washington State.

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

Mr. SCHUMER. Mr. President, I thank my colleague from Washington for her stellar leadership on this issue. She has been just a beacon on this bill, on which it is appropriate to have a beacon. She is the beacon from Washington State, and I thank her for the good work she has done.

I thank my colleague from New Mexico. We are good friends. I regret I feel so strongly about this legislation in opposition to him. But I believe this is the worst legislation that I have seen in my over 20 years in the Congress. It is bad for what is in it, and it is bad for what is not in it. I will speak at much greater length on those issues when I have more time, but I would just like to mention a few things.

It is laden with special interest provisions. There is no question about it. So many people got little things for their States. Some of them are good, some of them are not good. When you add them up they are extremely expensive. It is hard to believe in an administration that is watching costs so much that a bill that was originally $8 billion should balloon to $23 billion. This includes $1 billion to build a nuclear reactor in Idaho. I understand we need projects in people's States to sort of grease the wheels of legislation, but at $1 billion a shot?

There is so much bad in this bill. To me, the two worst provisions are the MTBE and the ethanol provision: MTBE, taking people's livelihood they put into their home; their homes are ruined. Their only hope is for the oil companies, which knew how bad MTBEs were and didn't tell anybody, to help pay. We pulled the rug out from under tens of thousands of present homeowners, and millions of future homeowners who cannot even live in their homes anymore. They can't take a shower. They can't drink the water. And we are saying: Tough luck. We are giving the MTBE industry $2 billion to close. We don't give a small store owner any money when they close. In addition, we say you are absolved from your mistakes and the taxpayers, the homeowners, pick up the bill.

The ethanol provision, I have such disagreement with so many on my side of the aisle I am not going to get into it. Suffice it to say, if you want to subsidize corn, good. Don't make the drivers of New York State or Washington State or some of the other States on the coasts pay for it. I believe this can raise our gasoline prices 4 cents to 10 cents a gallon in my State, and in many others. That is not how we do things around here. It is not how we should do things around here.

How can we be asked to support a bill that does that?

But the worst thing about this bill is what my colleague from Washington mentioned, which is the missed opportunities. If there was ever a time, if there was ever a perfect storm to create a real energy policy in this country, one that we don't have, it is now. We have 9/11, and everyone realizes how we have to become independent of Middle Eastern oil. We had Enron, and everyone realizes the problems in trafficking in electricity and in the grid and that things have to be changed. We had the blackouts this summer, and everyone realizes the grid that we have can't be piecemeal anymore.

These are perfect opportunities to get our hands around the policy that will serve us well for the future. Nothing is in there. It is not simply that there are special interests and a policy, but there are special interest provisions and they take the place of any real energy policy. That is what so bothers me about this bill.

China is adopting more stringent CAFE standards than we are. Should that make us wonder what we are doing?

I read history. Great empires, great countries—and I love this country. It has been the most wonderful thing for my family that has ever happened—begin to lose it when they fail to come to grips with reality. We have a reality here. We have three realities. We are

just fiddling while Rome burns. We are dancing on our merry way and giving out a little bit of pork here and a little bit there and a little bit here and not dealing with the fundamental energy problems we face.

I will have more to say later. I thank the Chair. I thank my colleague from Washington for her courtesy. I yield the remainder back to her.

Ms. CANTWELL. Mr. President, does the Senator from Illinois wish to speak? I yield to the Senator from Illinois 5 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator from Washington.

Mr. DOMENICI. Mr. President, I have been waiting to speak. I didn't understand what happened.

Mr. DURBIN. I believe the Senator from Washington has time remaining and yielded 5 minutes to me.

Mr. DOMENICI. After that, are we finished?

Ms. CANTWELL. I will probably have about 10 minutes left and we will wrap up.

Mr. DURBIN. Mr. President, I thank the Senator from Washington for yielding.

Consider this: You buy a home in a neighborhood and you start hearing about people around your neighborhood who are getting sick. It turns out it is not just a common, ordinary sickness. It is serious; it is cancer. Then you are puzzled and start wondering: Is there something in the water. Isn't that the first thing you ask? Then you find out there is something in the water. It turns out it is something called MTBE. You never heard of it before. They explain to you, it is in the gasoline in your car. Incidentally, at that service station on the corner—the one where they dug up the tank—that tank was leaking. The leaking gasoline from that tank contained MTBE, and it got down so low that it got into the water supply of the village in which you live. The water you have been drinking and giving to your kids contains MTBE.

Studies have shown that MTBE can be cancer causing. Think about that. Totally innocent and unsuspecting, you have now learned that a public health hazard that threatens your family, the value of your home, and your community is linked to something you had never seen before and never heard about.

So what do you do? You are concerned about the health of your family. But you turn around and say: Whoever is responsible for that additive that threatens my family and my home and my community needs to be held accountable.

That is what America is all about. Nobody gets off the hook. So people go to court. They say to the oil company: Did you know that MTBE in your gasoline could threaten public health? Well, it turns out they did. They knew for a long time.

They also knew that if that MTBE got in the environment, that didn't disappear, it stuck around forever. A tiny amount of it could be dangerous to thousands, if not millions, of people. They knew it. They continued to make it. They continued to sell it. They knew all along that people would get sick and some would die as a result of that product.

Should they be held accountable or should they be let off the hook?

Turn to our Energy bill and look at section 1502 which answered that question for America. The makers of MTBE are given safe harbor. It sounds great, doesn't it. Here is what it means. You cannot sue to hold that oil company or maker of MTBE accountable for that deadly additive that is poisoning people and causing cancer if it is a product liability lawsuit—can't do it. But we have decided that in order to strike a political bargain here, we are going to let the oil companies off the hook.

What does the family do? What are they supposed to do about water they can't drink, where people are sick in their neighborhood and where houses are losing value in a community that is scared to death? We tell them to read the Energy bill we are producing here. That is the best we can do for you. We can't answer your problems. We can tell you that we passed a good bill and the oil companies love it.

The Senator from New Mexico came to the floor earlier and very candidly—I salute him for this—said you had better understand the deal. If you want to help ethanol, you had better let the MTBE polluters off the hook. Otherwise, there is no deal.

We have spent 20 years producing ethanol. My State produces more than any State in the Union. I have proudly stood behind this product because I believe it is good, it is healthy for the environment, and it reduces our dependence on foreign oil. But I have said to my friends back home who support ethanol and I will say it on the floor: If the bargain I have to strike for ethanol is to turn my back on families who are dying from disease because of MTBE, the deal is off. The deal is off. That is unjust. It is immoral. It is wrong. If that is what it takes to promote ethanol in America, I will not be part of it; absolutely not. Count me out.

That is a basic injustice, to say those oil companies would not be held accountable for their wrongdoing in order to promote the ethanol industry. It is a deal with the Devil. It is a Faustian bargain, and I don't want to be a part of it, and no Member of the Senate should either.

If this is as good as it gets on the floor of the Senate, shame on all of us. This bill should be stopped in its tracks. We ought to send the people back to the committee and say start over and get the work done. America's energy future depends on thoughtful, visionary policies. It doesn't include this kind of a deal with oil companies to let them off the hook.

How in the world can you turn your back on these families who, through no fault of their own, are facing these terrible health problems? These families can't go to court now to hold the oil companies that knew better accountable. That is what this bill does.

The Senator from New Mexico has been very candid. I admire his candor. But his candor tells the story. We can do a lot better.

I thank the Senator from Washington for her leadership on electricity and protecting our public lands, and other areas.

I yield the floor.

Ms. CANTWELL. Mr. President, I will not take all 10 minutes. I know we have other colleagues in the Chamber. I wish to make one final point.

I thank the Senator from Illinois for continuing his talk about this issue as it impacts his State and national policy which we are all trying to fight. But many of my colleagues know that on one provision in the Energy bill relating to Enron, we really tried to make a point. In fact, 57 Members of this body passed an amendment, albeit on the Agriculture appropriations bill because we couldn't get it on the Energy bill when we recessed in August, which basically said we think market manipulation has taken place and something needs to be done about it.

In fact, at that time I argued that in this legislation we ought to have a prohibition on the types of market manipulation that actually happened with Enron and include that in the Energy bill. My colleagues on the other side of the aisle drafted language that basically prohibited one of the Enron abuses but not all of the Enron abuses. But in a separate piece of legislation, we got 57 of my colleagues—a majority of Senators—to say, Let's say that market manipulation on contracts was wrong.

That language still exists in a conference committee on Agriculture appropriations. That language is sitting there hoping we will get it out of conference, even though the industry is lobbying against it. Yes, that is right. The remnants of Enron are lobbying against it.

What do we do? In this conference report, we basically change current Federal law and say those contracts shouldn't stand. We go one step further in the Federal Power Act and say manipulated contracts are not in the public's interest.

This legislation should be defeated alone on the fact that it continues the Enron price gouging. We as a body failed to stand up to that kind of activity. We can say all we want about the reforms we have with the SEC, all the reforms we had on auditing, but in our energy policy we have done nothing to be the policemen on the street. These energy companies, under this legislation, are still going to run free to continue to manipulate market. Not only that, we are putting in this bill that it is OK to do so.

I urge my colleagues: Please, in the next 24 hours review this legislation

carefully. It has so many issues that are the wrong direction for our country.

I urge my colleagues to stand up to the special interests that have promulgated this bill and say no to the conference report.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator MCCAIN is on the list we made as the next speaker.

I ask if I could speak for about 2 minutes before Senator MCCAIN. He has indicated yes.

Mr. REID. No objection.

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

Mr. DOMENICI. Mr. President, fellow Senators, my good friend from the State of Washington went through a series of newspapers and read what newspapers had to say. I will not do that. But I suggest that she and other Senators, instead of reading what the newspapers have to say, read what their constituents have to say.

I want to cite some constituents of hers and of everyone else in the Senate and what they have had to say. The Solar Industry of America applauds this. They are the largest group of American businessmen involved in development of solar energy. They sent a letter in full support, along with the National Hydropower, American Coalition for Ethanol, Renewable Fuels, National Biodiesel Board, American Soybean Board, North American Electric Reliability Council. While we are on that one, let me suggest that the board that looked at the blackout we had in the Northeast and just issued a report. I will talk about it later.

Most interestingly, the biggest thing they found that caused that blackout was the violation of reliability standards. Those standards are in this legislation. That will not happen again. The study group says we have taken care of them in this legislation. Do not forget, if we do not pass this, they are out the window. Who knows when we will get back to them.

The National Rural Electric Coops of America, a letter of full support; the Large Public Power Council; the APPA, the American Public Power Association; Coalition for Renewable Fuel Standards—totally in support. I have a multi-industry letter in support of this bill from Interstate Natural Gas, National Association of Manufacturers, Ocean Industries, National Corn Growers, North American Manufacturers Association, Edison Electric Institute, and Domestic Petroleum Council.

Some day before the debate is over I will finish reading the names of groups supporting the bill. The point I make, it is one thing for the editors of our newspapers to write about a bill, it is another for the thousands and thousands of businessmen, large and small, who are going to benefit from this, to be writing what they think about the bill. Remember, most of the things they are talking about are not in the law now. Throw away this bill and we have thrown away the things they say are necessary for their continued operation in the United States.

The biggest and most important is the wind industry in America, large and small, that produces wind energy for the United States. It is a growing new industry. Listen clearly: It is growing because it has a subsidy. For those who do not like subsidies, we can cut it off and there will be no more wind energy produced for who knows how long, maybe 10 years. Maybe that is what some would like. Without this bill, the current production credit for wind energy is gone. This bill starts it and continues it. It will be gone. It will not be there.

We can talk a lot about special interests, about where the money is going, where the $2.6 billion a year is going over the next 10 years. We have an American energy use of $450 billion a year. We are trying to move it around the edges. It does not seem to this Senator to be an exorbitant amount of money or an exorbitant effort to produce a variety of energies, diversity of source, and diversity of base so we are not totally dependent again on a source such as natural gas, soon dependent on it from overseas.

Overall, there are problems with the bill, yes; problems we had to concede, yes. But overall, it is a bill that will work.

I will answer MTBE concerns at least once a day, but I don't think two or three times a day. I have done it once. I will ask other Senators who are familiar with the subject, including the Senator in the chair, to answer these concerns. Suffice it to say, some of the descriptions about MTBE in this bill are wrong.

I have given my best shot at it, but I will close with a very simple example. If you use Folgers Coffee and produce hot water that is too hot, you sell it and burn somebody with the coffee, I doubt very much if you will sue Folgers Coffee. That is the issue of MTBE. It is a legitimate, valid product, certified by the United States of America to be used. For those who use it right, we have said they will not be liable. For those who use it wrong, and there are many who have, they will remain liable. In 15 years there will no longer be any more of that.

I say to the corn growers, we have the same issue looming over us on alcohol and ethanol. We have said there, too, the product is not liable; using it improperly does create liability.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I think this legislation is very timely because if we pass it, Thanksgiving will come early for the Washington special interests. The American public will be presented with an enormous turkey stuffed with their tax dollars. Tell your constituents to save their holiday Turkey carcasses because this farsighted bill even provides subsidies for carcasses used as biomass to generate energy.

We cannot discuss the bill without looking at the fiscal condition of the United States of America today. According to recent reports, Government spending, thanks to the Congress, grew at 12 percent. We are looking at a half a trillion budget deficit next year. We have gone from a $5 trillion surplus over the last few years to a multitrillion-dollar deficit. So what do we do? We are passing a bill that will increase the deficit by at least somewhere around $24 billion.

By the way, I am really sorry we have not gotten the bill. I understand it is 1,200 to 1,600 pages long. Of course, we are considering it without even having a chance to observe it, but it is printed in the RECORD. I imagine the RECORD is pretty big.

Adding to this feast, this bill also contains the other white meat. Of course, I am referring to pork. I fear for the passage of a 1,200-page, pork-laden bill. The outbreak of Washington trichinosis will be so severe we will be forced to have a field office for the Centers for Disease Control right next to the Capitol. I am not saying this will not generate some energy, not at all. It will fill the coffers of oil and gas corporations, propel corporate interests, and boost the deficit into the stratosphere.

Indeed, I have stated on several occasions the name of this bill should be the ''Leave No Lobbyist Behind Act of 2003.'' Given the magnitude of the largess offered in this bill, I hardly know where to begin. I feel somewhat like a mosquito in a nudist colony. I hardly know where to begin.

At a time when it is crucial for our national security and economic welfare that we pursue a new course toward energy independence and global environmental protection, the provisions in this bill take exactly the wrong direction: increasing our dependence on conventional fuels; increasing environmental degradation; increasing our energy use; increasing our national debt; and diminishing protection for consumers and public health.

Let's start at the top of the corporate subsidy heap. We have the biggest increase in corn and cash this Congress has ever seen, doubling the national ethanol mandate. A doubling. Gasohol production is the worst subsidy-laden energy use ever perpetrated on the American public, and it starts with sweet corn. Ten percent of the corn grown in this country is used to produce ethanol. Corn producers, like producers of other major crops, receive farm income and price supports.

Let me remind my colleagues in the 107th Congress this body passed a farm bill which appropriated more than $26 billion in direct assistance to corn growers over 6 years. That is an average of $4.3 billion in direct subsidies

each year just to corn growers. But obviously, they have not gotten enough. But add it up, and we are over $3 per gallon of ethanol.

The cost to consumers does not stop with the production of energy. Environmental costs of subsidized corn results in higher prices for meat, milk, and eggs because about 70 percent of corn grain is fed to livestock. A GAO report concluded, ''ethanol tax incentives have not significantly enhanced United States energy security since it reduced United States gasoline consumption by less than 1 percent.'' So if we double it, maybe we will have less than 2 percent. It takes more energy to make ethanol from grain than the combustion ethanol produces. Seventy percent more energy is required to produce ethanol than the energy actually in ethanol. Every time you make 1 gallon of ethanol there is a net energy loss.

The National Academy of Sciences concluded in 2000 that ''the use of commonly available oxygenates in Reformulated Gasoline (RFG) has little impact on improving ozone air quality and has some disadvantages.'' They found that oxygenates can lead to higher nitrous oxide emissions, ''which are more important in determining—ozone levels in some areas.''

Reformulated gasoline, without oxygenates like ethanol, are widely available and are superior to gasohol. California has started a program called the ''Cleaner Burning Gasoline,'' which has better fuel economy and overall efficiency than gasohol.

I believe it was in recognition of this fact that the House and Senate both passed Energy bills that would remove the Clean Air Act requirement to include an oxygenate in reformulated gasoline. But, the overall economic and environmental benefits of no longer requiring an oxygenate is wiped out by the $2 billion ethanol mandate doubling ethanol production in this bill.

Another subsidy for ethanol producers is a partial exemption for the motor fuels excise tax, which is paid to the Highway Trust Fund. Presently, corn-to-gasohol producers take a $.052 per gallon exemption from the $.18 per gallon excise tax fuel producers are required to pay into the Highway Trust Fund.

According to a recent General Accounting Office study, between 1979–2000, this exemption has cost the Highway Trust Fund between $7.5 and $11.2 billion.

While a tax credit in this bill, called the Volumetric Ethanol Excise Tax Credit Act of 2003, attempts to change this trend, it merely provides the option for gasohol producers to pay the entire $.18 per gallon excise tax to the Highway Trust Fund, and claim a $.052 per gallon credit on their income tax. The credit would come from general treasury funds, and leave the Highway Trust Fund income in place, most blenders will continue to take the exemption, which is an immediate discount, rather than switching to the credit. This is a useless provision which won't actually bolster the Highway Trust Fund, or the U.S. Treasury. In fact, with doubled ethanol usage, the Federal government stands to lose even more in fuel tax revenue in the upcoming years.

The national ethanol consumption in 2002 was 2.1 billion gallons. Multiply that by 52 cents per gallon, and you see how much revenue the highway trust fund has lost in excise tax in this past year alone. About $1.1 billion. How much more, then, of taxpayer funds, will be given back to the ethanol producers, as ethanol production and consumption doubles? The Joint Committee on Taxation estimates that the ethanol mandate will cost $2 billion over the next 5 years.

For decades the largest ethanol producer has been Archer Daniels Midland, producer of more than one-third of all ethanol in 2002, and whose nearest competitor has the capacity to produce one-tenth of ADM's capacity.

The excise tax exemption from ethanol has been estimated to account for more than $10 billion in subsidies to ADM—one corporation with $10 billion in subsidies—from 1980 to the late 1990s. In fact, it has been estimated that every dollar in profits earned by Archer Daniels Midland costs the taxpayers $30.

Speaking of highly objectionable fuel additives, I must join my colleagues who have spoken against the MTBE liability waiver.

Mr. President, it is an outrage to see a product liability waiver for producers of MTBE retroactive to September 5, 2003. This nullifies the lawsuits against MTBE producers that were filed after September 5, such as the case last year in the Superior Court in California, where a jury found that MTBE was a defective product and resulted in a settlement in which MTBE producers agreed to pay more than $50 million to clean up MTBE-contaminated water supplies.

Who is going to pay to clean it up now? This provision to shield MTBE producers from product liability could, according to the U.S. Conference of Mayors, cost taxpayers—taxpayers, not industry—$29 billion to clean up contaminated ground and surface water.

In 1998, the U.S. Geological Survey conducted an MTBE survey of water wells in industrial areas, commercial areas, residential areas, and mixed urban areas nationwide, and also estimated that cleaning up the MTBE-contaminated sites in soil and water nationwide is approximately $29 billion.

Just when you believe this bill cannot get any worse, it does.

Mr. President, $800 million—I usually go through these bills, and we find pork in the hundreds of millions, sometimes billions. This exceeds all of my past experiences. Mr. President, $800 million for a loan guarantee to subsidize the creation of a brandnew polluting, coal gasification plant in an economically depressed area of Minnesota. This new company, Excelsior Energy, was formed by lobbyists and executives with ties to a company that filed for bankruptcy after amassing a $9.2 billion debt and being fined $25 million for market manipulation.

This brand new giveaway, which was in neither the House nor Senate-passed Energy bills, is estimated to cost between $2 billion to $3 billion. While this technology turns coal into a synthetic gas that can be combusted more efficiently, coal plants continue to be a leading source of global warming and should not be subsidized with scarce taxpayer dollars. Further, this $800 million loan guarantee does not require Excelsior Energy to meet any concrete job creation goals or standards. In a time of $400 billion annual budget deficits, why should U.S. taxpayers cover the cost of a new plant that will not even guarantee jobs? Minnesota already has a powerplant owned by Exel Energy. Now they need Excelsior Energy, a new plant burning more carbon?

Mr. President, $95 million for a subsidy for a process known as ''thermal depolymerization.'' This is a good one. Now you can get a tax credit if you compress Turkey carcasses into energy. ConAgra Foods and Changing World Technologies, the two companies that would benefit from this giveaway, have built the only commercial ''thermal technology'' plant, which is located in Carthage, MO. The plant would convert poultry waste products from ConAgra's Butterball Turkey plant into energy.

After including their cash cows and all the polluter pork they could find, energy conferees have now moved on to tax breaks for turkey. I encourage my colleagues to save their leftover turkey this year after Thanksgiving dinner. Instead of making sandwiches the next day, how about turning in your poultry for a tax credit?

An amendment was added Monday night—Monday night—to authorize the lignite coal-fired electrical generating plant, which would employ clean coal technology to provide energy for a rapidly growing region. This amendment was not included in either the House or Senate passed energy bills.

Another provision that we understand was inserted at the eleventh hour, and was never reviewed by either the House or the Senate, would suspend important environmental reviews to facilitate the construction of uranium processing facilities in New Mexico by the consortium, Louisiana Energy Services. A Time magazine article that appeared earlier this year raised serious questions about one of the consortium members, which it characterized as ''a European consortium linked to leaks of enrichment technology to, yes, Iran, Iraq, and North Korea—as well as to Pakistan.'' The article in Time magazine quotes a high-level U.S. nuclear security administrator as saying ''to have this company operating in the

U.S. after it was the source of sensitive technology reaching foreign powers does raise serious concerns.''

I want to add, I do not know if that is true or not. I do not know if the Time magazine story is true or not. We do not know because we never had any scrutiny of the amendment. But I think it is a serious issue. I do not know.

In addition to possible security concerns suggested by the time article, this extraordinary rider raises critical environmental concerns.

Even though I understand that both Tennessee and Louisiana have rejected this facility, the Energy bill rider shortcuts the NEPA process and meaningful judicial review of the Environmental Impact Statement, for the construction of this facility in New Mexico. To add insult to injury, the provision further requires the Government to acquire the waste and dispose of it for a price that is possibly significantly less than the cost.

I ask unanimous consent the Time magazine article be printed in the RECORD.

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

[From Time Magazine, Jan. 21, 2003]

NUKES: TO PYONGYANG FROM NASHVILLE?

BACKERS OF A PROPOSED URANIUM ENRICHMENT PLANT HAVE A BAD HISTORY WITH KEEPING SECRETS

(By Adam Zagorin)

Is President Bush's ''axis of evil'' campaign about to be undermined in his own backyard? A proposed uranium enrichment facility planned in Hartsville, Tenn. (pop. 2,395) raises just that question. One of the plant's principle backers is URENCO, a European consortium linked to leaks of enrichment technology to, yes, Iran, Iraq, and North Korea—as well as to Pakistan.

Sources tell TIME that senior Bush appointees, upset by the ongoing crisis with North Korea, have held detailed discussions in recent days on the need to stop leaks of nuclear technology to rogue states. ''To have this company operate in the U.S. after it was the source of sensitive technology reaching foreign powers does raise serious concerns,'' a high-level U.S. nuclear security administrator told TIME, the first public comment by a Federal official on the proposed plant's ownership. ''The national security community or the new Homeland Security Department will need to look at this.''

Concerns about URENCO first emerged more than 10 years ago when thousands of centrifuge parts, based on URENCO designs, were discovered by U.N. inspectors in Iraq after the Gulf War. A one-time URENCO scientist, known as the ''father'' of Pakistan's nuclear bomb, is said to have taken URENCO centrifuge blueprints and information on the company's suppliers to his homeland, later passing similar sensitive material to North Korea and Iran.

The company that wants to build the new Tennessee enrichment plant is called Louisiana Energy Services. A consortium of U.S. and foreign companies in which URENCO has a major financial role, LES insists that the link between URENCO and nuclear proliferation is ''long ago and far-fetched at this point.'' URENCO itself has denied authorizing leaks of technology to rogue states.

The only previous attempt by LES to build an enrichment plant involved a multi-year effort in the 1990's targeting a small town in Louisiana. Closed Congressional hearings on Iraqi attempts to acquire nuclear weapons were held not long before, and delved into URENCO's record. Subsequently, powerful Michigan Democrat JOHN DINGELL raised concerns that the LES plant in Louisiana might violate provisions governing the movement of classified technology from foreign countries under the Federal Atomic Energy Act. That issue was never resolved, but LES gave up attempts to build the Louisiana facility amid controversy over its impact on nearby African-American residents.

With its latest effort in Tennessee, LES seems especially anxious to avoid a reprise of those controversies. In an unusual move, LES has asked for a greenlight from the Nuclear Regulatory Commission without the usual public comment on various environmental, safety and security issues. But groups like the Sierra Club and the National Resources Defense Council contend that this will simply, ''reduce the . . . licensing procedure to a flimsy rubber stamp.'' LES plans to file its 3,000 page license application with the Federal government by January 30, to be followed by a review process that could take at least a year.

Also controversial are unanswered questions about the disposal of the Tennessee plant's radioactive waste. Officials in Tennessee have reached a tentative agreement with LES to cap the amount of waste and, last week, the company announced that the material would not stay in Tennessee permanently. But it offered no details as to where the waste might be transferred, a process that can be subject to complex federal licensing procedures.

So far few Tennessee politicians have taken a position on the new enrichment plant. That includes Sen. BILL FRIST, the new Senate Majority Leader, who has remained neutral on the proposed plant in his home state. But he plans to follow the debate ''very closely,'' says an aide.

Mr. MCCAIN. There are also four proposals known as green bonds that will cost taxpayers $227 million to finance approximately $2 billion in private bonds. One of my favorite green bond proposals is a $150 million riverfront area in Shreveport, LA. This riverwalk has about 50 stores, a movie theater, and a bowling alley. One of the new tenants in this Louisiana riverwalk is a Hooters restaurant. Yes, my friends, an Energy bill subsidizing Hooters and polluters, probably giving new meaning to the phrase ''budget busters.'' Although I am sure there is a great deal of energy expended at Hooters, I have never been present. Perhaps something has been missing in my life.

This bill was developed in a secret, exclusive, partisan process, but it is no secret anymore. In the last few days, editorials have appeared in papers throughout the country. Here are a few choice words from various papers.

One thing that is worthy of note, Mr. President, is that for the first time in my memory, the New York Times and the Wall Street Journal both editorialize strongly against this bill. It is on the rarest of occasions that the Wall Street Journal and the New York Times—the Wall Street Journal: ''The Grassley Rain Forest Act,'' which refers to: ''Special applause goes to Senator Chuck Grassley for grabbing millions to build an indoor rain forest and a million-gallon aquarium in lush, tropical Iowa. ''

Of course, the New York Times editorial, titled ''A Shortage of Energy,'' describes how the bill is a very serious one. Today China's message on energy—where it goes into a report from China—is that the Chinese are worried about their increasing reliance on foreign oil. The difference is, the Chinese are ready to do something about it, where Congress is not. Indeed, loopholes in the Energy bill could make American cars less efficient than they are. While the Chinese say their main concern is oil dependency, not global warming, more efficient cars should help on that, too. And where are our American leaders? Feathering nests rather than imposing discipline on the Nation's fuel use.

I will not go through all of the editorials that I have seen, but it is overwhelming. Everybody who has looked at this bill realizes that it is a terrible mistake. It seems to me that this is the result of a broken process, a process that is conducted behind closed doors.

I still do not have the bill in front of me. None of us do. I guess it is printed in the RECORD. I understand, because it is 1,200 pages long, the RECORD might be long.

There was very little, if any, consultation with other Members of the Senate. My understanding is the Democratic side was cut out of it completely. And we are given a few short hours to examine a 1,200-page ''Energy bill.''

I want to return to my initial comments. It is serious when we are looking at a $½ trillion debt next year, when we have growth in the size of Government of 12 percent. What has happened to the Republican Party? What has happened to the balanced budget amendment to the Constitution? What has happened to the lockbox where we were going to take your Social Security money and put it into an account with your name on it? Instead, we have a $20 billion and some energy bill loaded with wasteful porkbarrel projects most of us had not either seen or heard of until the last few hours.

I hope we can muster 40 votes—I hope so—because I think we have to restore some kind of fiscal sanity, some kind of environmental sanity to this Nation. This legislative process needs to be fixed.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I see the manager of the bill. Senator DORGAN is going to speak. It is my understanding that Senator COLLINS wishes to speak following Senator DORGAN. Does Senator DOMENICI wish to speak in between?

Mr. DOMENICI. No, I think I will wait.

Mr. REID. Does the Senator from Maine have an idea how long she is going to speak?

Ms. COLLINS. I say to the Senator from Nevada, about 12 minutes.

Mr. REID. Mr. President, I ask unanimous consent that she be given 15 minutes.

On our side, the next speaker would be Senator AKAKA. As we have done during this day, we have gone back and forth on speakers, so after Senator COLLINS, Senator AKAKA would be recognized.

Would you like to be recognized after Senator COLLINS?

Mr. DOMENICI. That is what I thought I said.

Mr. REID. And do you have any idea how long you wish to speak?

Mr. DOMENICI. Ten minutes.

Mr. REID. So Senator DOMENICI for 15 minutes and then Senator AKAKA. How long would he like?

Mr. DOMENICI. Could we substitute Senator INHOFE for me and my 10 minutes and I will come later?

Mr. INHOFE. Let's say 15. It probably will be 10.

Mr. REID. Just so we don't get the time out of balance, Senator AKAKA wants 30 minutes. So Senator DOMENICI would follow Senator INHOFE. Because we are taking a little extra time here, we would have two Republican speakers, INHOFE for 15 minutes and DOMENICI for 15 minutes following Senator AKAKA.

Mr. INHOFE. Let me make a request of the assistant minority leader. Since Senator AKAKA is going to take 30 minutes, would it be possible, after the conclusion of the remarks by Senator DORGAN and Senator COLLINS, to have me go so we would have two at this point and then go to Senator AKAKA for 30 minutes?

Mr. REID. That would be fine. He would be followed by Senator DOMENICI, and then we would have Senator JACK REED go after that for 20 minutes. Senator AKAKA for 30 and Senator REED for 20. I so ask the Chair to approve our unanimous consent request.

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

The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have had the opportunity to listen to some of the presentations today. I especially listened to my colleague from Arizona and found it interesting. This is a serious discussion for the Congress. I find much with which to agree with virtually all of my colleagues.

My friend from Arizona just described the serious fiscal policy problem. He says we are spending more money. He mentioned the Congress. It is true that spending is up substantially. The President has recommended very large spending increases for the military budget, very large spending increases for homeland security, very substantial cuts in revenue. We have a fiscal policy that does not add up. There is no question about that. It starts with the President's fiscal policy and begins and ends as well with the Congress. But we have to have a fiscal policy that adds up.

Our economy is dependent on energy. If we don't put in place an energy policy that addresses our concerns about energy and the need for this economy to be satisfied with the energy that is required, we won't have an economy that produces revenue and jobs. If, God forbid, tomorrow night a terrorist interrupted the supply of foreign oil, our economy would be flat on its back. Fifty-five percent of that which we use, in terms of oil resources, comes from outside our borders. Much of it from troubled regions of the world.

I have said for a long while that we need to do four things in an Energy bill. We need to incentivize additional production. The fact is, I want to see us move towards a different energy construct and a different energy future.

But we are going to use fossil fuels in our future. We are going to use coal, oil, and natural gas. So the question is, how do we incentivize additional production of those fossil fuels while at the same time protecting our country's environment, and then, importantly, how do we conserve? A barrel of oil saved is equal to a barrel of oil produced. Conservation is a very important part of an Energy bill. So you have production and conservation. Third, you have efficiency. The efficiency of all the appliances and the things we use in our daily lives is a very important area of conservation.

And fourth, and very important, the issue of renewable and limitless sources and supplies of energy. Those four things need to be in energy legislation.

I will describe what is wrong with this bill, and there is plenty. This bill was, in my judgment, constructed behind closed doors in a manner that was arrogant. It is not going to happen again. Never again are we going to allow conferees to be appointed here in the Senate and then have a conference in which Democrats are told they can't participate. That is what happened in this conference. That is not going to happen again. The next time someone asks consent to appoint conferees, we are going to ask the prospective chairman of that conference, Is this going to be a conference in which you close the doors and do it in secret with no Democrats included? Because, if so, you don't get consent. We are sorry. We are not going to proceed. This will not happen again because it is arrogant. It should not have happened this time. The process was wrong.

Let me talk about what that process has wrought. Some good things and some not so good. My colleagues have raised a series of concerns and objections about this bill. I agree with many of them.

I offered an amendment in the conference committee to deal with MTBE and strip the provision out of this bill that provides protection for those oil companies that produce MTBE, the fuel additive. That amendment was defeated. But I offered that amendment because I feel strongly that this protection should not be in this bill. I strongly supported the amendment to put the Renewable Portfolio Standard in this bill. It ought to be in the bill.

The failure to include the 10-percent requirement for electric utilities to produce electricity, 10 percent of their electricity from renewable sources, that requirement needs to be in energy legislation. It is not here. That is a serious deficiency. There are others.

Let me also say that this bill has some elements that are important. In the area of production, providing incentives for production in certain areas is very important. Let me take coal as an example. Coal can cause some very serious consequences for our environment. But we are going to continue to use coal. So we need an aggressive provision in the legislation dealing with clean coal technology so that we can use coal in a manner that is not degrading to our environment. There is a very serious attempt in this bill to address clean coal technology.

This piece of legislation deals perhaps more aggressively than we have ever contemplated with respect to renewable and limitless sources of energy.

Wind energy. This extends the production tax credit for 3 years. We will see the unleashing, I believe, of substantial new projects to build wind farms in which you take energy from the wind and you extend America's energy supply. That will happen as a result of this bill.

Biodiesel, biofuels, a range of areas dealing with renewable sources of energy, are incentivized in a significant way in this piece of legislation.

My colleague spoke about ethanol. One of the strongest provisions in the bill, in my judgment, is doubling the requirement for ethanol in this country. We are banning MTBE, and for good reason. We are going to replace it with ethanol and double, to 5 billion gallons, the production of ethanol. Don't tell me that isn't good for this country. It is good to extend our energy supply by growing energy in the fields, and it is renewable. You can do it year after year. It produces new markets for family farmers, extends our energy supply, and is good for this country's environment.

Those who call ethanol a boondoggle, in my judgment, don't understand it. It is far preferable to extend our energy supply by growing energy in our fields, producing the agricultural commodity from which you extract the alcohol to make ethanol, have the protein feedstock for animals, extend our energy supply, clean our air, and relieve our dependence on foreign oil. That is a huge step forward for this country. It is not a boondoggle, it is good public policy.

Now let me talk about conservation just a bit. One of the things I have been very concerned about is something called efficiency. This deals with all the things we use every day—stoves,

refrigerators, toasters, air-conditioners—these appliances all use electricity. What are the efficiency standards by which we should aspire to conserve electricity and energy?

This bill includes nearly the identical efficiency standards that we wrote as Democrats when we controlled the Senate. That title, in this bill, is a good one. I support that title. It promotes conservation in a strong and positive way.

I believe my colleagues who talk about deficiencies in this bill with respect to the areas dealing with consumer protections are right. I am very concerned about that. But with respect to electricity reliability, the standards in this bill are good ones. They address the issues, not all, but most of the issues that are related to the recent blackouts, which caused electricity outages for 50 million people in this country.

As I mentioned before, there are several things in this bill I don't like. As I reviewed this measure last weekend, I asked myself whether or not we would advance this country's interest if we passed this legislation? I concluded that, yes, we would. But, we leave a lot behind. There will be a lot left to do and to correct if we pass this legislation, but, nevertheless, I concluded that deciding not to embrace the advancements in renewable and limitless supplies of energy would be a mistake. Deciding not to embrace those reliability portions in the bill would be a mistake because we need them. Deciding not to have the clean coal technology that will allow us to continue to use coal without degrading our environment—it would be a mistake not to embrace that.

To decide not to embrace the efficiency standards in this bill for virtually all of the appliances we use would be a mistake.

MTBE should not have been included and I tried hard to take it out. There are other provisions in this legislation that I don't like and they ought to be taken out as well. There are provisions that should be in the bill that are not there. The protections for consumers should have been stronger. If we are going to repeal PUHCA, then we need strong provisions protecting consumers. This falls short, in my judgment.

However, I believe, on balance, this legislation will advance our country's interests in energy production, and we need to produce more. Additionally, I believe this legislation charts a new course that looks at a different kind of energy future, a future I strongly support. That future is hydrogen and hydrogen fuel cells. I have been working on this initiative for a number of years, believing we cannot continue to run gasoline through carburetors. We cannot continue, as we have for a century, to just stick liquid gasoline through the carburetors and decide that is what our future is going to be. That is our past and we should realize if we keep doing that, we lose.

When we began producing automobiles in this country a century ago, we put gasoline through the carburetor. Do you know what we do with a 2003 car? We put gasoline through the carburetor.

The power from that gasoline is much less efficient than going to a different kind of energy future, using hydrogen and fuel cells, which would double the efficiency of getting power to the wheel. Hydrogen is everywhere. We can produce it, we can transport it, we can store it, and we can move toward a different future that will relieve us of our dependence on foreign oil.

I believe strongly that the $2.15 billion in this bill for the hydrogen initiative should have been doubled. I fought like the dickens on the floor of the Senate and elsewhere for an increase in this funding. It did not happen. The fact is, a $2 billion start is not insignificant.

The President proposed in his State of the Union Address something I had already introduced in the Congress as legislation, which is that we move toward hydrogen and fuel cells, as a new energy future. The reason it is important and the reason I support it is because the fastest rising part of our energy consumption is transportation. Why? Because we have decided our automobile fleet has, is, and perhaps always will be a fleet that has a carburetor through which you run gasoline. That doesn't make any sense to me.

We need to make a decision at this point. Let's pole-vault over some of these issues and create a new type of energy future. Some environmental organizations said that when the President proposed this initiative in his State of the Union he was just making an excuse not to deal with CAFE standards, and so forth.

I don't know what the motives are at the White House. I disagree with the President on a lot of things. But I do know this: If we just keep thinking that 25 years from now, and 50 years from now, our kids, their kids, and their grandkids ought to be running gasoline through carburetors, we lose. That is a philosophy of yesterday forever. I don't believe it satisfies the interests and the needs of this country.

You cannot be a world economic power without addressing the issue of energy. We use an enormous amount of energy. We need strong conservation standards, and, frankly, I looked at this bill skeptically last Saturday morning because I worried that the efficiency standards would not be there. But they were—almost the same standards we produced as a Democratic committee when we controlled the Senate.

We need conservation and incentives for new production of fossil fuels in a way that protects our environment. We need strong incentives for the use of renewables. But as important as those measures are, we also need to think differently about the future. That is why the hydrogen title in this piece of legislation is a step in the right direction.

My colleague from New Mexico is in the Chamber. He will not like the fact that when I started I said this process was an arrogant one. I told him during the process, at a time when I was a conferee and was locked out of the meetings, on the floor—and I don't care whether he likes my saying this or not—''You would not accept that in a million years. You would be shouting from the rooftops.''

Again, because my colleague wasn't in the Chamber, this process was awful. This process will not happen again because we will not allow conferees to be appointed—we simply won't allow that—until the prospective chairpersons from the House and Senate agree to have real conferences, where both parties are allowed to have substantive discussions on the pending legislation.

Having said all that, and being upset about the way this conference process worked, my main interest today is what is in this legislation for the country. Does it advance this country's interests or does it retard them? Is this a huge giveaway that does nothing to address the country's energy interests? Is it just laden with pork? Is it worthless? Should we start over?

As I look at this bill in the four areas I talked about a year ago—production—production that is sensitive to the environment; conservation—conservation that is real; efficiency—efficiency that really does address those products that we use every day in our lives and the standards by which we improve them and make them more efficient; and finally, limitless and renewable sources of energy—in every one of those four categories, I think this legislation has provisions that commend it for the future of this country.

I can think of probably a dozen areas that I want to strip out of this bill, and I can think of a dozen provisions I want to put in this bill. I can't do that because this is a conference report, and also because I had limited opportunity to do it the other evening when we had a bifurcated, abbreviated conference.

Having said all that, I don't think in this Chamber you ever give up. The Renewable Portfolio Standard, that is coming. It was kept out of this legislation in conference because some people had the clout to do that, but it is going to happen. As sure as I stand at this desk in the Senate, I will demand and enough of my colleagues will demand, a renewable portfolio standard by which we say to the electric utilities in this country that 10 percent of what you produce must come from renewable energy. As sure as I am standing here, it is going to happen because we will make it happen. Not in this bill because it is a conference report and we cannot amend it.

The question is not what is left out or what is in. The question is, Does this product in the aggregate promote this Nation's energy interest as we move forward? Does it advance us or retard

us in terms of our desire to do something about energy? Although it is a tough choice, I conclude the right choice is to adopt this conference report.

I regret that I disagree with some of my colleagues. I am usually on the floor fighting for the same interests for which they fight for. I don't come to the floor to challenge their assertion that the MTBE provisions shouldn't be in here. I happen to agree with them. I don't challenge their assertion that there should be better consumer protections. I agree with them. But I also hope they understand that when you take a look at a bill which has something that is historic in renewable fuels and limitless fuels, limitless sources of energy—yes, ethanol especially, but wind energy, solar, and so many other areas of renewable energy—and when you have legislation that has real and significant standards of efficiency that represent significant conservation, and when you have legislation that incentivizes the current production of fossil fuels in a way that allows us to continue to use them in a manner that is safe for our environment, such as the aggressive use of clean coal technology, in my judgment—speaking only for myself—that meets the standard of deciding whether or not this legislation advances our country's interests.

Let us pass what is good and fix what is wrong. We have time to do that as we move ahead in the coming years.

For all of those reasons, I choose to advance this legislation.

Mr. President, I yield the floor.

Mr. DOMENICI. Will the Senator yield before he yields the floor?

Mr. DORGAN. I will be happy to yield.

Mr. DOMENICI. Mr. President, I have on my right a diagram. I wish it were bigger, but I think the Senator from North Dakota can see it.

The Senator spoke about midway through his speech about our growing dependence, and one of the dependencies he spoke of was natural gas. It is almost incredible—we should show the American people this diagram for them to see what has been happening to their country—the red or pink is the annual use of natural gas in our generating capacity for electricity. If we look back to 1990, the pink is hardly a little sliver, and go out to 2003 and we see that almost the entire generating capacity of the country is natural gas.

As the Senator from North Dakota has so eloquently stated this afternoon, it is clear we can't continue down that path. We have to do something about it.

First, I will take whatever criticism he has lodged today with reference to how the bill evolved. I guess it is pretty fair to say that very few people get the luxury, privilege—or whatever it is—of having to write one from beginning to end and get it to the floor. I was given that privilege this year. It could have been done a different way, some of which the Senator from North Dakota has suggested. For that I thank him, and I hope we will do better if we have a chance again.

I also think that his genuine interest in hydrogen as a fuel is not going to go unnoticed. He is right out there ahead of everybody, and he is right.

Some people stand up and tell us: Why don't you change the CAFE standards and reduce dramatically the fuel use of each car that Americans drive? I don't know how the Senator from North Dakota feels about it, but I have been at it long enough to know that the Senate will not do it and the House will not do it. The question is to find another way to do it.

I think Senator DORGAN's notion of having to use another fuel is the appropriate one to be putting our resources, our energy, and our enthusiasm behind with our major researchers and our major companies. If what we got in here is not sufficient, I will join Senator DORGAN as soon as we can and try to put in more.

I would like to see what they do with some of the agreements that are advocated for the use of this money and how we use our technology to heat up that hydrogen so it is usable. I am sure Senator DORGAN would like to see that happen soon, too.

I thank the Senator from North Dakota for his words. Whether they be words that agree with me or words that disagree, I think his conclusion is the one that a vast majority of Senators should make, that we should not throw this package away. We should do it. I know one of his interests is ethanol, and I don't say this just because it happens to be a big interest of his, but there is no question that part of the bill that was hardest to get, and it took the longest and it made most of us frustrated was how do we get that maximum ethanol issue quantity that he described today. It was nigh unto impossible to get the numbers out of the House and out of their writing committees, but we did. We do not get any of these provisions, I regret to say, unilaterally, unscathed, with no commitments of any kind extracted. I am just hopeful that the good outweighs the bad in terms of the compromises we made to get us there.

In my State and Senator DORGAN's State and adjoining States, there are thousands of people who see this bill a little differently than some of those who don't care about ethanol. I heard a Senator say that wouldn't be part of a bill because he didn't think we even should do it, but I don't think that is the Senator's people. I don't think it is the thousands of people represented by these letters of support.

Second, the Senator from North Dakota is absolutely right on renewable resources. We are beginning to make a big show as Americans—solar, wind is beginning to kick up its heels. We have a very powerful tax incentive in this bill. If this bill doesn't pass, it doesn't exist. If it doesn't exist, I don't know what happens to the fast start and the moving along of these technologies. I am not sure.

I have been told by the biggest manufacturers and those who sell this energy that it will stop. Windmills will stop turning within 3 or 4 months because the tax credit will disappear. I don't want that to happen, especially since we are making some very big headway.

I thank the Senator. I yield the floor.

Mr. DORGAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. GREGG). The Senator has 6 minutes.

Mr. DORGAN. Mr. President, let me say with respect to wind energy, if the production tax credit isn't extended, the windmills will not stop turning. We have very efficient turbines, but the projects that are already planned and ready to go simply will not happen. We won't have the initial capacity for wind energy because without the production tax credit, it will not exist.

Let me make this point. If energy policy is analogous to a novel, then this is a chapter, and we might well decide this chapter ought to be rejected. I come to the conclusion that it is a chapter that is probably worthwhile and is a starting point. I want to at some point in the future amend it, change it, and improve it, but the choice for us is: Do we do nothing and pray that we don't have further blackouts or further price spikes, or, God forbid, a terrorist interrupting the supply of energy?

Or do we enact the proposed legislation and consider it the first brick of a foundation by which we start to construct an energy policy that provides the best of what both political parties has to offer? I come down on the side of believing this ought to be advanced.

There are a series of things I have explained that I believe are important in this legislation, so I will make one final point. Earlier, my colleague from Arizona talked about the cost of this bill. We have a $10 trillion to $11 trillion economy. This economy will only grow if it has a supply of energy. If tomorrow, for some reason, our supply of foreign oil were shut off, this American economy would be lying flat on its back. Talk about consequences for jobs and devastating consequences to opportunities in this country. We have to think through all of this and plan ahead.

This legislation is not as comprehensive, as wise, or as bold as I hoped it would be, but it is a start. I go back to the issue of hydrogen. My colleague talked about natural gas. We are going to face natural gas price spikes again this winter. We have serious supply problems. We have significant problems in a range of energy sectors, in the short and intermediary term with respect to supply and demand. I think we should offer no apology for supporting increased efforts to produce additional fossil fuels. We have to do that.

This legislation has something very important in it dealing with clean coal technology, which I strongly support. So I again regret that I come to a different conclusion than some of my colleagues. I hope my conclusion is right. At this point, as I look at this country's needs and as I balance legislation that has some good features to it, some good titles in it, with some things that should never have been put in it, as I balance all of that, I ask the question: Does this advance the country's energy interest? Do I believe on balance that it makes sense to proceed? The answer for me is yes, and that is why I intend to vote to support this conference report.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized for 15 minutes.

Ms. COLLINS. Mr. President, I rise to express my strong opposition to the conference agreement on the Energy bill we are debating today.

Our Nation needs a balanced energy policy that will increase supply, decrease demand, reduce our reliance on foreign oil, and protect our environment. Unfortunately, the Energy legislation before us fails to strike this necessary balance. In fact, it would be poor energy policy, poor environmental policy, and poor fiscal policy. It favors special interests, it contains billions of dollars in wasteful subsidies, and it fails to promote energy conservation. It would be bad for Maine's electricity consumers, it would be bad for Maine's manufacturers, and it would be bad for Maine's environment.

I am very disappointed that the renewable energy provision that I coauthored with Senator BINGAMAN was not included in the final version of this legislation. This provision would have required that 10 percent of our electricity come from clean, renewable energy sources by the year 2020. A majority of the Senate conferees voted in favor of this proposal, but unfortunately the House voted to remove it, thus passing up an important opportunity to increase fuel diversity, decrease natural gas prices, and reduce greenhouse gases.

This legislation would do very little to reduce our dangerous and increasing reliance on foreign fuels. The United States is nearly 60 percent reliant on foreign oil, and this number is projected to increase in the coming years, reaching as high as 70 or even 75 percent in the next decade to 15 years.

Senators LANDRIEU and SPECTER and I joined to offer an amendment to the Senate Energy version that directed the President to devise a plan to save 1 million barrels of oil per day by the year 2013. We did not dictate how that should be done. It could be done by increasing fuel efficiency standards for our trucks and cars. It could be done by moving toward more energy-efficient appliances. There are many ways that goal could be accomplished.

Not surprisingly, our amendment enjoyed widespread support in the Senate. In fact, it passed by a vote of 99 to 1. Inexplicably, the conferees voted to drop that provision from the final bill.

This legislation also contains numerous wasteful and very expensive subsidies, including a 5-billion-gallon ethanol mandate that will subsidize corn production in the Midwest at the expense of higher gas prices in New England. Ethanol is more expensive than gasoline. It is difficult to transport, it is of dubious value to the environment, and it does little to reduce our reliance on foreign fuels. In fact, studies show that it takes about 4 gallons of oil to produce 5 gallons of ethanol. If the goal were to reduce reliance on foreign fuels, we would be much better off increasing automobile fuel economy standards or mandating other achievable efficiency improvements.

The liability waiver for MTBE manufacturers also does not belong in this bill. The gasoline additive MTBE is a suspected carcinogen and has contaminated a number of ground water supplies in my home State of Maine, and I know it is also a problem in the home State of the Presiding Officer.

In 1998, for example, a ground water system serving 5,000 people and operated by the Portland Water District was contaminated by MTBE. This incident cost the Portland water district $1.5 million. The liability provisions in this legislation will leave MTBE manufacturers with little incentive to help clean up contaminated water supplies. The likely result will be that municipal ratepayers will have to shoulder a majority of the cleanup costs.

The electricity title of this bill is particularly troubling to me because it is biased against the Northeast. Three months ago, the largest blackout in our Nation's history illustrated the fundamental flaws in a haphazard and poorly regulated electricity market.

Just today, the General Accounting Office, at my request, released a new report on electricity restructuring that analyzed the blackout and identified what steps should be taken to ensure greater reliability of the electric grid. Unfortunately, the recommendations that are in the GAO report fly in the face of what has been done in the legislation we are debating today.

Electricity regulators in the areas most affected by the blackout in the Northeast and the Midwest have stated that the Federal Energy Regulatory Commission, known as FERC, needs to move ahead with standardized electricity markets in order to improve the reliability of our markets. Since electricity flows across power lines without regard to State boundaries, we need clear and consistent electricity rules that apply to the entire Nation. Unfortunately, this legislation would actually prohibit FERC from moving ahead with standardized markets for another 3 years. I am astounded by that.

Earlier this year, many of us representing States in both the Northeast and the Midwest wrote to the conferees to share our views on the electricity issues that were being debated in the conference. We quoted our regulators on the impact of delaying these FERC rules. Specifically, we stated:

> Our States feel strongly that any delay of SMD [the standard market design] hurts efforts to provide reasonably priced and reliable electricity to consumers and businesses.

In fact, Ohio Governor Bob Taft, in testimony before the House Energy and Commerce Committee, stated that he believes that any delay would ''impose an intolerable risk on the nation.''

He went on to say:

> We urge you to reject proposals to further delay FERC's ability to address issues which have a direct effect on the cost and reliability of electricity, for millions of our constituents.

Mr. President, I ask unanimous consent the letters we sent to the conferees be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Ms. COLLINS. Mr. President, in view of our urging the conferees to not interfere with FERC going ahead with these commonsense and necessary regulations, you can imagine my disappointment to discover that this bill, in fact, delays these regulations by FERC for 3 years.

I am also very troubled by the subsidies for pollution control equipment for some of our Nation's dirtiest powerplants. Why should taxpayers pay for pollution control technologies for 40-year-old coal-fired powerplants that were grandfathered under the Clean Air Act? Recently, when three advanced natural gas plants were built in Maine, these plants installed state-of-the-art, advanced pollution control technologies without any subsidies, without being subsidized by the American taxpayers. The cost of this technology was borne by electricity consumers in the State of Maine and other States in the Northeast. The cost of electricity from the oldest coal-fired powerplants has long been subsidized through exemptions from the pollution controls mandated by the Clean Air Act. To further this subsidy by authorizing billions—billions—of taxpayer subsidies for the dirtiest plants makes no sense at all, and it will have the effect of continuing to ensure a disparity in the price of electricity between regions in which pollution and other costs are subsidized and regions such as ours, in New England, which are not the beneficiary of these subsidies. That is not fair. It is not fair to our taxpayers, and it is not fair to our electricity consumers.

I am further disappointed by the inclusion of language in the electricity title which will undercut the nationwide development of clean power generation. This language, which is known as the participant funding language, effectively negates the benefits of the combined heat and power provisions that Senator CARPER and I worked so

hard to include in this bill. The participant funding language actually creates a disincentive for clean energy generation by allowing monopoly utilities to shift the costs of transmission upgrades onto clean power generation, such as combined heat and power—the cogeneration plants.

This provision is particularly harmful to our manufacturers, many of whom use combined heat and power to generate products and jobs.

The last thing we need in this country is another disincentive for our manufacturers. In the Northeast in particular, manufacturers are already struggling to cope with high electric rates. The last thing we should be doing is shifting more of the costs on to them.

The legislation would also increase greenhouse gas emissions, waste natural gas and other already scarce fuels, and harm air quality.

The bill's failure to address climate change is yet another disappointment. It seems a near certainty that greenhouse gas emissions will increase by hundreds of millions of tons under this legislation. Yet the entire climate change title has been stripped from this bill. If we are going to spend billions of dollars on oil and gas and coal projects that will increase greenhouse gas emissions, then at least we should determine whether such an increase in emissions could cause an abrupt and potentially dangerous change in our climate.

Unfortunately, the abrupt climate change provisions that I authored were also omitted from the final version of the bill.

In summary, this bill does not offer the balanced energy policy that America needs. It does not do enough to increase energy efficiency or renewable energy. It does not promote conservation. It does not protect our environment. It does not give FERC adequate authority to provide reliable electricity markets. And it will not reduce our reliance on foreign oil.

I cannot in good conscience vote in favor of ending the debate on this legislation, and I call on my colleagues to take a close look at the provisions of this bill. I believe as they delve into this bill they will realize that it is fundamentally flawed and should be rejected.

In doing so, we would save the taxpayers some $80 billion, and we would signal our support for a more balanced energy policy for this Nation.

I yield the remainder of my time.

EXHIBIT 1

U.S. SENATE,
Washington, DC, July 25, 2003.

Hon. PETE V. DOMENICI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.
Hon. JEFF BINGAMAN,
Ranking Member, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR CHAIRMAN DOMENICI AND RANKING MEMBER BINGAMAN: We are writing to urge you to continue our nation's efforts to move toward competitive wholesale electricity markets that will benefit consumers and businesses. National competitive markets, where multiple buyers and sellers can negotiate bargains and pass cost savings along to consumers, are the best approach to the challenges facing the electricity industry.

We would like to bring to your attention a number of issues addressed in the electricity title of the Senate Energy Bill (S. 14) that have implications for residents and businesses in the Northeast-Midwest region.

Delay of Standard Market Design—S. 14 and the proposed substitute amendment delays the implementation of the Federal Energy Regulatory Commission's (FERC) standard market design until July 2005. Electricity markets have outgrown state boundaries. We are writing to express our concern with the proposed delay of standard market design and the provision to make participation in regional transmission organizations voluntary. The delay has serious implications for residents and businesses in the Northeast-Midwest region and throughout the nation.

A standard market design would streamline the wholesale electricity industry, encourage transmission investments and move the lower 48 states toward a more competitive electricity market. Congested power lines, which are the result of the current electricity system, cost customers and businesses throughout the United States billions of dollars each year, whereas competitive wholesale power markets could deliver billions of dollars in economic benefits.

Schwab Capital Markets detailed the importance of standardized markets to increasing investment in our nation's transmission grid and electricity generation.

Testifying before the House Subcommittee on Energy and Air Quality, Christine Tezak with Schwab states: ''We believe that capital will be less expensive for all market participants if FERC continues (and is permitted to continue) its efforts to provide reasonably clear and consistent rules for this business . . . Schwab WRG continues to view continued efforts to move forward with the restructuring of the electricity industry to be the best investment environment for the widest variety of participants in the electricity marketplace—whether they provide generation, transmission, distribution or a combination of these services—and most importantly, the most likely to provide sustained long-term benefits to consumers.'' Further, Ms. Tezak stated: ''Congress needs to decide whether or not it still believes in the 1992 Energy Policy Act. Today, Congress is becoming an increasing part of the reason capital is hard to attract to this business. Congress is calling for FERC to slow down, Wall Street is frustrated FERC won't move faster.''

S. 14 makes participation of federal utilities in Regional Transmission Organizations voluntary. Federal taxpayer dollars were used to develop and maintain Federal power marketing agencies such as the Tennessee Valley Authority and Bonneville Power. The energy generated by these facilities should benefit all Americans. TVA and Bonneville should be required to participate in RTOs so communities throughout the United States have access to the power generated at these Federal facilities.

The Energy Bill must put national interest above the interest of a few vertically-integrated utilities that want to maintain regional monopolies. We encourage you to support standardizing electricity markets and prevent further delay of these efforts.

Participant Funding—S. 14 and the proposed substitute amendment directs FERC to establish rules to ''ensure that the costs of any transmission expansion interconnection be allocated in such a way that all users of the affected transmission system bear the appropriate share of costs.'' The language requires FERC to fairly align the costs and benefits of transmission upgrades, a judgment that can include a consideration of relevant local factors. This is not only the most equitable approach but also the one most likely to ensure that transmission development will keep pace with growing electricity demand.

Combined Heat and Power—S. 14 currently contains the ''Carper-Collins'' language which keeps in place incentives to operate combined heat and power facilities until true competition exists in electricity markets. This language retains, for a limited time, the provisions of the Public Utility Regulatory Policy Act (PURPA) which require utilities to provide back-up power and buy electricity from qualifying combined heat and power facilities. As soon as competitive electricity markets are established, these requirements are repealed. Since combined heat and power saves energy, reduces greenhouse gas emissions, increases energy independence, and is good for the competitiveness of American manufacturing, we urge you to retain such provisions.

We urge you to complete the work Congress started with the Energy Policy Act of 1992 to provide reliable, low-cost electricity to customers. Please stand strong against pressure to reverse court on Congress' efforts to establish better working, competitive markets, and to continue working towards competitive electricity markets.

Sincerely,

Jack Reed, Olympia J. Snowe, Edward M. Kennedy, Arlen Specter, Susan M. Collins, Debbie Stabenow, Frank Lautenberg, Carl Levin.

U.S. SENATE,
Washington, DC, September 22, 2003.

Hon. PETE DOMENICI,
Chairman, Senate Energy Committee, Washington, DC.
Hon. JEFF BINGAMAN,
Ranking Member, Senate Energy Committee, Washington, DC.

DEAR CHAIRMAN DOMENICI AND RANKING MEMBER: As the Conference Committee on the Energy Policy Act of 2003 continues its deliberations, we would like to bring to your attention an issue of great concern to us.

We believe the Energy Bill must set forth a policy that will complete the work that Congress started with the Energy Policy Act of 1992. The vision of Congress and President George H.W. Bush in 1992 was to transition our nation's electricity industry to competitive wholesale power markets. The vision of today's Congress should be to complete the transition to competitive markets by allowing the Wholesale Power Market Platform (WMP) of the Federal Energy Regulatory Commission (FERC) to move forward.

Wholesale power markets remain the best approach to optimizing our country's energy resources by increasing generation efficiencies, stimulating investment in new technologies and infrastructure, providing greater choice in energy sources, especially in renewable power, and passing cost savings onto consumers. Wholesale power markets have naturally grown into regional bodies, spanning multiple state boundaries. The recent blackouts that impacted many of our states clearly illustrate the regional nature of our electricity grid. Events that occur in one state have impacts in other states.

Moreover, while we respect the need for certain regional variations among power market structures, we firmly believe that any Energy Bill should not harm those regions of the country that want to move forward with efforts to bring the benefits of

competitive power markets to consumers. Accordingly, we urge the passing of an Energy bill that will appropriately reflect the physical and business realities of the electricity business by allowing the FERC to implement its WMP.

The FERC's Standard Market Design proposal and subsequent Wholesale Power Market Platform are the logical and necessary responses to the problems experienced by nascent regional wholesale power markets. WMP seeks to standardize market rules while adhering to regional variations and allows FERC to oversee the process of Regional Transmission Organization (RTO) formation and participation. The timely implementation of WMP is critical in achieving the efficient, seamless, and non-discriminatory wholesale power markets that will optimize our nation's energy resources. Delay will only serve to further injure much needed investment in generation, transmission and demand response facilities that are the foundation of our nation's economic well-being.

The health of our state economies depends upon the free flow of interstate commerce governed at the federal level to ensure consistent, clear and fair laws over state lines. Similarly, vibrant competitive power markets rely on the free flow of electrons through state and regional boundaries. To the extent there is a standard set of rules, states with either competitive retail markets or vertically-integrated utility service will benefit in terms of greater efficiencies, greater reliability and reasonably priced electricity that our homes and businesses need.

Furthermore, a delay in the implementation of the SMD rulemaking will only serve to add uncertainty to potential investments in our energy infrastructure and negate years of progress made in the rulemaking process by the FERC, state commissions and market participants alike. Consider the testimony of Christine Tezak of Schwab Capital Markets before the House Subcommittee on Energy and Air Quality: ''Congress needs to decide whether or not it still believes in the 1992 Energy Policy Act. Today, Congress is becoming an increasing part of the reason capital is hard to attract to this business. Congress is calling FERC to slow down, Wall Street is frustrated FERC won't move faster.''

Specifically, we believe that an energy conference report should:

Support FERC's Efforts to Promote Competitive Wholesale Markets—Our states feel strongly that any delay of SMD hurts efforts to provide reasonably priced and reliable electricity to consumers and businesses. In fact, Ohio Governor Bob Taft in testimony before the House Energy and Commerce Committee stated that he believes that any delay would ''impose an intolerable risk on the nation''. We urge you to reject proposals to further delay FERC's ability to address issues which have a direct effect on the cost and reliability of electricity for millions of our constituents.

Promote Regional Transmission Organization (RTOs)—Effective, well-functioning regional transmission organizations and independent system operators are necessary for the creation of well-designed, competitive regional markets. The Electricity Title should not disrupt existing regional markets nor stall their development in regions that want to develop them. RTOs and ISOs are a key to effectively managing the increasingly interstate flow of electricity and are critical to the success of electricity restructuring. Increased participation in RTOs will help address the structural problems in our grid that created conditions for the recent blackout. RTOs will help our nation improve our ability to respond to problems in the grid by having an effective regional ''traffic cop'' with a reliability mission to manage any future incidents. They will also help improve the climate for investment in transmission infrastructure to enhance the reliability of the grid in the first place.

We urge you to complete the work Congress started with the Energy Policy Act of 1992 to provide reliable, low-cost electricity to consumers. Please stand strong to continue the efforts of Congress to establish well-functioning, robustly competitive wholesale power markets while creating a federal policy that would bring much needed certainty to our nation's energy sector.

Thank you for your consideration of these comments and we look forward to working with you to ensure the Electricity Title respects the difference among regions while moving forward with efforts to bring the benefits of competitive power markets to all American consumers.

Sincerely,

Rick Santorum, Jack Reed, Olympia J. Snowe, Edward M. Kennedy, Lincoln D. Chafee, Thomas R. Carper, John Cornyn, Jon S. Corzine, Arlen Specter, Frank Lautenberg, Barbara A. Mikulski, Mike DeWine, Joseph R. Biden, Jr., Carl Levin, Susan M. Collins, Paul S. Sarbanes, Peter G. Fitzgerald, Debbie Stabenow, Evan Bayh, Richard G. Lugar.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I have been listening to the debate. I have come to some conclusions. First of all, one of the things the Senator from Maine said that I agree with is this bill does little to reduce our reliance upon foreign countries for our ability to run this great machine called America. I would like to have had more provisions in there. I would have liked to have had some more generous nuclear generation provisions, maybe ANWR, and a few things that would more directly address this. I am hoping we will be able to do this in the future.

The Senator from North Dakota, when he was talking about the bill, said there were several things in here that he didn't like, and many things in here that he would have liked to have had in here. I feel the same way. That is almost by definition the sign of a good bill because neither one of us is real happy with it. However, we both are going to support this bill.

I think we could have gone further. I have been concerned for many years about our dependency, going all the way back to the Reagan administration when Don Hodel, who was the Energy Secretary at that time, and I used to go around the country to explain to people in consumption States that our reliance upon foreign countries for our ability to fight a war is not an energy issue but a national security issue.

Finally, this is the first approach. I have to say President Reagan didn't really address this, the first President Bush didn't address it, President Clinton didn't address it. This President is addressing it. This may not be perfect, certainly it is far from perfect, but it is the first major step since 1980 to correct a problem we all agree is there.

In deference to the time that we have here I am going to concentrate on one thing. There are a lot of things I would like to talk about because I chair the Environment and Public Works Committee. There are a number of issues that are within my jurisdiction. I thank the manager of this bill, Senator DOMENICI, for his willingness to let me have input even though I am not on the conference over some of these issues that would have been in my committee.

My concern right now, and what I want to address, is the whole idea of the ethanol and MTBE safe harbor provisions. It has been treated as a red herring. I would like to go over what it really is and what it is not. What we have heard on the floor is good rhetoric from the trial lawyers, but it is not factual.

The premise of the ethanol and MTBE safe harbor is simple: If the Federal Government approves and mandates a product, such as it did with ethanol and MTBE, that product should not be considered ''a defective product by virtue of the fact that it is, or contains, such a renewable fuel or MTBE.'' So let's walk through this and see what the safe harbor provision does.

The ethanol and MTBE safe harbor states:

> Notwithstanding any other provision of Federal or State law, no renewable fuel, as defined by section 211(o)(1) of the Clean Air Act . . . used or intended to be used as a motor vehicle fuel containing such renewable fuel or MTBE, shall be deemed a defective product by virtue of the fact that it is, or contains, such renewable fuel or MTBE.

That stands to reason. That is perfectly legal. Yet that is the provision to which most of these people are objecting. How can it be reasonable if we mandate something by law and then turn around and say it is defective by definition? It is just not reasonable.

We know that Congress is mandating renewable fuels in this conference report. The energy bill states:

> Not later than one year after the enactment of this subsection, the Administrator [of the EPA] shall promulgate regulations ensuring that motor vehicle fuel sold or dispensed in the United States . . . contains the applicable volume of renewable fuel. . . .

That is in essence the language of the legislation that we are considering today.

MTBE was also similarly mandated. The Clean Air Act Amendments of 1990 signed into law by the first President Bush clearly states:

> [t]he oxygen content of gasoline shall equal or exceed 2.0 percent by weight. . . .

At that time, Congress knew the only two additives that could be used were MTBE and ethanol. And the Record shows that.

For example, on March 29, 1990, Senator TOM DASCHLE, the author of the floor amendment that established this 2-percent standard, stated during debate:

> The ethers, especially MTBE and ETBE, are expected to be major components of meeting a clean octane program.

Under certain forms of an oxygenate mandate, Senator DASCHLE went as far as to note that:

EPA predicts that the amendment will be met almost exclusively by MTBE, a methanol derivative.

Senator DASCHLE recognized what we all know: There are substantial benefits to using MTBE as far as environmental protection is concerned. In the floor debate on the 2-percent standard, Senator DASCHLE cited evidence that:

NO_x, hydrocarbons, and carbon monoxide are dramatically reduced by adding the oxygenate MTBE to gasoline.

So it is clear that Congress mandated ethanol and MTBE in 1990, and, in this conference report, is increasing the mandate on ethanol.

Let me go on reading the ethanol and MTBE safe harbor. The safe harbor applies only:

If it [ethanol or MTBE] does not violate a control or prohibition imposed by the Administrator of the Environmental Protection Agency under section 211 of such Act, and the manufacturer is in compliance with all requests for information under subsection (b) of such section 211 of such Act.

So the safe harbor in this conference report applies only if you are in compliance with all the tough fuel requirements of the Clean Air Act.

So to review so far, if ethanol or MTBE is used as required by the Federal Government and is in full compliance of the Clean Air Act, it should not be found defective. Alternatively, if a party does not meet the requirements of the Clean Air Act, the safe harbor does not apply, stating that:

the existence of a claim of defective product shall be determined under otherwise applicable law.

It can still be exercised if they don't comply.

Most importantly, the safe harbor does not impact numerous legal mechanisms available for cleanup and damages. Specifically, the safe harbor states that:

Nothing in this subsection shall be construed to affect the liability of any person for environmental remediation costs, drinking water contamination, negligence for spills or other reasonably foreseeable events, public or private nuisance, trespass, breach of warranty, breach of contract, or any other liability other than liability based upon a claim of defective product.

In all those other cases, it remains unchanged. The safe harbor does not apply to anything except liability based upon a claim of defective product, assuming they have complied with the Clean Air Act. It is as simple as that.

As the energy conference report clearly states, the safe harbor does not affect liability under other tort theories. Tort law provides a remedy when there is a breach of a duty resulting in harm to a person, property, or intangible personal interests. The following types of actions have been used in environmental cases. These are actions where recovery took place:

Trespass—interference with the plaintiff's possessory interest in his land. Is that affected by safe harbor? No.

Nuisance—intereference with the plaintiff's use and enjoyment of his property—that is not affected by safe harbor.

Negligence—may be a basis for product liability actions, as well as actions involving the release of allegedly toxic materials. negligence could be based on the design of manufacture of the product, or failure to give warnings necessary to make the product safe. Is this affected by safe harbor? No. It is not affected.

Breach of implied warranty—similar to strict products-liability—is not affected by safe harbor.

Under breach of express warranty—if a manufacturer, distributor, or retailer makes express promises regarding a product, the party is liable if the product fails to perform as promised and that failure leads to injury. It is not affected by safe harbor.

The only thing that is affected is in the areas we have been discussing.

Moreover, this safe harbor in no way shape or form impacts any environmental law. The safe harbor provision would not affect liability, and therefore response, remediation and cleanup, under Federal and State laws. The facts of a given situation would dictate which of the following statutes would be most appropriate for an action. Here are examples of environmental laws that could apply. The following are not impacted: The Resource Conservation and Recovery Act, RCRA; Clean Water Act; Oil Pollution Act—OPA; Comprehensive Environmental, Response, Compensation, and Liability Act—CERCLA or Superfund; not to mention natural resource damages available under OPA, CERCLA, and the Clean Water Act. They are not impacted.

Furthermore, the leaking underground storage tanks provision in this energy conference report greatly enhances the amount of resources available to states and localities through the underground storage funds.

If the language and the impact are so clear, why is the debate so muddy? The answer is because trial lawyers stand to lose billions.

What is the positive affect of this safe harbor?

Liability protection is consistent with environmental protection. Without some stability in liability risk, powerful disincentives will be created to continued manufacturing of clean-fuel additives. Why should we manufacture clean fuel additives if there is no protection? Clean fuel programs have saved thousands of lives across the country. Opposition to commonsense legislation may endanger those most susceptible to air pollution impacts by reducing the ready supply of clean fuel additives.

Failure to limit liability endangers future energy security and clean air. Simply put, additive manufacturers will be extremely reluctant to invest in MTBE replacement additives without some sense of certainty that the Federal Government will not allow those investments to become the basis of undue liability. In other words, as additive manufacturers seek access to capital, demonstrating a responsible Federal role in liability limitation may be crucial to justify future investments in clean additive manufacturing. It is simply a supply and demand argument.

In conclusion, I ask my colleagues to look at the facts. The fact is that the safe harbor is a fair and important provision in an important piece of legislation, which is critical to our national and economic security.

The safe harbor only applies to defective products claims.

I believe very strongly we need to have that clarification.

I repeat one more time what is actually written into the law. It says if the Federal Government approves and mandates a product such as ethanol or MTBE, that product should not be considered a defective product by virtue of the fact that it is or contains such renewable fuel or MTBE which is mandated by law. I appreciate the opportunity to clarify that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. Mr. President, I rise today to express a profound sense of disappointment. The Nation needs an energy bill. We need a comprehensive blueprint for an energy policy that will take us in new directions, away from dependence on declining reserves of fossil fuel and foreign sources of oil. We need a policy which will reconcile growth and energy conservation in our transportation, manufacturing, utility, and consumer sectors across the nation. We need to bring down the high costs of electricity and gasoline for the country, particularly in my state of Hawaii, and pursue greater energy independence from petroleum products. The conference report does not make these goals achievable.

I believe a comprehensive energy bill is possible. As a senior member of the Senate Energy and Natural Resources Committee, I am familiar with cutting-edge technologies and approaches to generating energy. I was closely involved in crafting the energy bill that we considered earlier this year under Senator DOMENICI's leadership. I also contributed heavily to the energy bill that passed the Senate under Democratic leadership last year.

I wish to thank the senior Senator from New Mexico for his persistence in drafting this energy bill under extremely difficult circumstances. The energy policies that we are addressing in this legislation cover a vast range of authorities and a patchwork of unruly regional alliances. This translates to an enormous challenge, and I appreciate Senator DOMENICI's hard work in the face of this intractable situation. I want to make it clear that I have not given up on the opportunity to have an energy bill and I will continue to work

with my colleagues to shape an energy bill for the continental United States as well as for Hawaii and Alaska, which often have special energy needs.

Unfortunately, the report that has emerged from the conference committee does not bear much resemblance to either of the two earlier bills, this year or last year, that had bipartisan support. I rise today to express my disappointment with the outcome of the conference report for several reasons.

I am particularly concerned about Title VIII, the hydrogen title. During the Committee's consideration of S. 14 earlier this year, the hydrogen title authorizing research and development, demonstration projects, and buy-back and fleet provisions was carefully worked out by a bipartisan group of Senators on the Committee. Even though my colleague from Iowa, Senator HARKIN, is not on the Committee, he contributed mightily. The hydrogen title was based on the Spark Matsunaga Hydrogen R&D Act, which has been the basic authority for federal hydrogen programs for the last 20 years. I introduced a bill to reauthorize the Matsunaga Act earlier this year, along with Senators DOMENICI, BINGAMAN, BAYH, LIEBERMAN, KYL, REID, and INOUYE. I continue to believe that the Matsunaga Act's basic focus on renewable R&D for the production of hydrogen is a critical component of a national hydrogen R&D program. I greatly appreciate the vision of Senator DOMENICI, who led the effort earlier this year to craft the hydrogen title in S. 14, along with myself and Senators BINGAMAN, DORGAN, ALEXANDER, WYDEN, SCHUMER, and HARKIN who dedicated time and energy to the bipartisan compromise. Title VIII was agreed to unanimously in the Committee in markup.

Title VIII, as it was crafted earlier this year, contained a robust authorization of hydrogen research, development, and demonstration projects to lead us into the hydrogen future. The title was later successfully amended on the floor during debate on S. 14, led by my good friend and colleague from North Dakota, Senator DORGAN. Senator DORGAN offered an amendment, which I cosponsored, to include important measurable goals and timelines for the commercial introduction of hydrogen fuel cell vehicles.

The federal government should be a leader in introducing hydrogen to the federal fleet of cars, trucks, and vans that are used to accomplish our government's business. Not many people realize it, but the federal government has a fleet of about half a million transportation units that, as a by-product of using fossil fuels, emit nitrogen oxides, ozone, and other pollutants. The original hydrogen title sought to usher in a transition to a fuel cell fleet.

The revised hydrogen title in the conference report eliminates key federal purchase requirements for vehicle fleets, stationary power, and hydrogen fueling infrastructure. It provides only the vaguest guidance to the Secretary of Energy of voluntary projects to shape demonstration programs.

Why are we going to spend $1.4 billion over six years on the production of hydrogen energy by way of a demonstration project using nuclear energy to produce hydrogen? We cannot decide what to do with our nuclear waste as it is now. Why are we going to produce waste by using nuclear material to produce hydrogen? We need to explore the production of hydrogen using renewable resources, and we need to spend a great deal more on it than this conference report provides. Hydrogen may fuel the economy of the future, but we must take action now to ensure that it comes from renewable sources for those parts of the country that will not or cannot host nuclear facilities.

The new hydrogen title, authorizes less funding through 2008 than we agreed on in the Senate earlier this year. It eliminates key demonstration programs and federal purchase requirements that I believe are critical to ensuring a hydrogen future. Mr. President, the hydrogen title is a pale ghost of what it was when it left the Senate on July 31st of this year.

This bill has some hopeful features. It provides tax incentives for wind, solar, and geothermal energy—but not enough. It encourages energy efficiency in household appliances and homebuilding. I am pleased that the report contains provisions that I specifically requested for energy studies in Hawaii and insular areas, and for noncontiguous areas to opt-in to the ethanol trading system. I thank Senator DOMENICI and Senator BINGAMAN for their assistance on these provisions, which take into account the unique energy situation faced by more remote states and territories. I also am pleased that Senator DOMENICI has included provisions of a bill I introduced earlier this year, S. 1045, to designate an office in the Department of Energy and a process within the Department for safely disposing of Greater-Than-Class C, GTCC, radioactive waste. According to a General Accounting Office study that I requested on this topic, we need a stronger plan for continued recovery and storage of GTCC waste until a permanent disposal facility is available.

The conference report has some objectionable features. It provides waivers for manufacturers of MTBE, thus leaving it to counties and cities to pay for the cleanup of groundwater contamination. There must be a better solution than that. We cannot leave the burden of cleaning up drinking water contaminated by gasoline additives to local communities.

The conference report also has objectional omissions. It does not include fuel economy standards which significantly increase the fuel efficiency of automobiles—a vital component of a comprehensive energy policy. The American people want to spend less money on gasoline, be less dependent on foreign supplies of oil, seriously address the issue of climate change, and breathe cleaner air. Strong fuel economy standards address these needs. The conference report fails to address the accumulation of greenhouse gases, which I have spoken about several times on the floor of the Senate.

Mr. President, I am disappointed in the conference report. It will not open the door for radically new energy futures such as hydrogen or even liquefied natural gas. It will not alleviate the high prices of energy in the Nation. And it will not reduce our dependency on foreign oil.

I yield back the remainder of my time.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, the Senator from Louisiana is recognized.

Mr. REID. Madam President, if the Senator will yield for a question, through the Chair, how long does the Senator wish to speak? There are other Senators who wish to speak. There is no rush. I want to know when they should come over.

Ms. LANDRIEU. Approximately 15 minutes.

Madam President, I join my colleagues on the floor to make relatively brief remarks about this very important energy bill.

As a member of the Energy Committee that has worked very hard to produce this bill, and as confident as I am that a majority of the people in Louisiana want us to produce a good and balanced bill, I want to stand to support the bill that is before us and to urge our colleagues to vote yes on this measure. I commend the chairman from New Mexico and the ranking member from New Mexico on the Senate side and the chairman and the ranking member on the House side for producing a bill that is truly the best bill this Congress can produce.

Is it a perfect bill? Absolutely not. Does it leave some very important sections out that many of us would like to see? Absolutely yes. Does it address every regional concern? No. And no national bill, no bill that comes out of this Congress, would ever be able to make each region perfectly happy because energy, of all issues, is not really a Democrat or Republican issue. It really is based on the regions of the country from which we all come.

Some regions consume a great deal more energy than they produce. Some regions and states, like Louisiana, are a net exporters of energy. We are proud of that fact. We get beat up a lot about it from people who do not necessarily understand the oil and gas industry, but we are proud to drill in environmentally sensitive ways for oil and gas and proud that we contribute so much to nations energy supply.

So we will never have a bill that is going to satisfy the regional and parochial interests of every Member. I am convinced, having worked on this Energy bill, or something like it, for the

7 years I have been in the Senate, that this is the best bill this Congress can put forward.

The second point is, after we pass this bill—and I am confident we will pass and the President will sign it, there is nothing that prevents us, either individually or as a Congress, from stepping forward in the next few months or years to make improvements and adjustments to the bill. We can continue to push for policies that increase our supply, increase new and renewable fuels, improve our conservation, and make this Nation more energy self-sufficient.

But we have not had an Energy bill since 1992. In that bill, Congress revolutionized wholesale electricity markets, encouraged renewable energy production through tax incentives and streamlined and reformed the licensing for nuclear facilities.

In this bill, one of the things I am proudest of, working with Senator DOMENICI, is to improve, increase and facilitate the construction and licensing of new nuclear facilities because I believe it is time for the United States to have a renaissance in its nuclear industry, so we can increase the supply of energy and drive down prices for all of our consumers, whether they be residential, industrial, or commercial.

For the life of me, I cannot understand why the United States cannot recognize the importance of nuclear energy as a component of our energy policy. Many developed countries, such as France, have realized the new and exciting technologies in this area that make nuclear safe, clean, and reliable. In France, approximately 80 percent of all their electricity consumption is produced by nuclear power.

I am also very proud of the fact that we have, for the first time, recognized the tremendous contribution that Louisiana and Texas and, to a certain degree, Mississippi and Alabama make in producing oil and gas off of our shores.

We have sent to the Federal Government billions and billions of dollars of tax revenues. We have produced many jobs. We are doing our part in Louisiana to make our Nation energy self-sufficient, and we are proud of it because we think for every hour we work, every month we contribute, every year we send money, we put our troops less at risk having to defend America's interests for oil and gas and energy supplies around the world. It is something that people in Louisiana are very proud of.

The fact is, there is something for all of us to gain from this compromise bill. We need to move forward on this bill, in my opinion.

No. 1, it increases our domestic production of energy and, therefore, lowers the prices for everyone. It is hard to estimate what the lowering of the prices will be, but this bill addresses that concern and make steps towards providing a variety of energy sources.

Second, it creates new jobs. So for everyone who is concerned, it lowers unemployment. There is not a Senator in this Chamber who is not concerned about increasing employment rolls and lowering unemployment rolls. This bill, by creating hundreds of thousands of jobs, will, in essence, do that.

We also take steps to conserve, not as many steps as this Senator would have liked to take. I appreciate the comments of the Senator from Hawaii and others, including Senator DORGAN, who spoke about the missed opportunities in this bill. They encouraged us to really step up for conservation measures and I agree. The Presiding Officer made some very appropriate and, I thought, discerning remarks about our missed opportunities for conservation. We have missed some opportunities, but there are still, in this bill, some very excellent conservation and research and development initiatives to be proud of.

I might remind the Democratic caucus, our No. 1 objective—not my No. 1 objective but the No. 1 objective of our Democratic caucus—was not to drill in ANWR. There is no drilling of ANWR in this bill. Other Democrats objected to more drilling off the coast of Florida. There is no more drilling off the coast of Florida in this bill. There were Democrats who objected to drilling in the Great Lakes. There is no drilling in the Great Lakes. So for those who wanted not only energy conservation but, in their view, environmental protections, this bill represents that compromise.

Let me say a word about natural gas because it is very important to Louisiana. Demand is exceeding supply and prices have been abnormally high for the better part of this year. The growing gap between demand and supply has been apparent for some time. Presently our demand is 22 trillion cubic feet annually. The Energy Information Administration projects that the demand will increase by over 50 percent by the year 2025. There is a naturally occurring abundance of natural gas. If we don't do something about producing more of this precious resource the gap between what we need and what we consume is only going to grow. We must act now. If we don't, the problem will continue to drive up prices and make our industries noncompetitive with industries in Europe and Asia, Africa, and other parts of the world. Natural gas is at the heart of helping this Nation to secure and stabilize its employment sector.

In the short term, we provide royalty relief for ultra deep gas wells, something I worked on. I am proud that is in this bill. In the long term, the bill provides for the construction of a natural gas pipeline—a great deal of controversy. The bottom line is this pipeline could bring 65 trillion cubic feet into the market over the next 10 or 20 years. It is gas we need, gas we are going to use, and gas that will lower prices.

In addition to all of that, it is going to put several hundred thousand people to work. Whether you are in Alaska or other States, a lot of people could use jobs right now. This is a jobs bill.

Let me say a word about coal. We don't produce a lot of coal in Louisiana, but there are some States that do. I guess I have a great deal of sympathy for States that, like Louisiana, utilize their natural resources. West Virginia and Pennsylvania are natural resource-based States. Why shouldn't the people of those States get to use the natural resources they have to create jobs and to do it in a way that helps keep the environment clean?

We have some clean coal technology in this bill. It might not be perfect, but what is the alternative? Shut down all the coal mining in the country, put thousands of people out of work, and drive up energy prices? Let's use the technology and encourage the development of even better technology. We have over 250 years of coal reserves in this Nation. The people of our Nation deserve to use those reserves responsibly to their benefit.

I am proud that this bill includes some important renewable fuel standards. In addition to some of the other issues that have been discussed in this bill, we promote wind power. That is very exciting. You wouldn't imagine, though, that we are going to have some of the same interesting debates we have had over oil and gas production; that is, ''not in my backyard.'' I want the energy, but I don't want to see the rigs.

I was quite amused by the fight that went on in Massachusetts or off the east coast about where we are going to put the windmills. People want wind power, but they don't want the windmills that produce the power. Unless our technology can put windmills underground and have the wind go underground, I don't know how we can avoid the aesthetics issue.

Since I am used to seeing oil rigs, I kind of like the way they look and most certainly enjoy fishing around them because they make excellent places to fish that we in Louisiana have understood now for quite some time. I am encouraging wind power and hope we won't have the same ''not in my backyard'' attitude that we have had about other ways to produce energy. Certainly, wind is a very interesting source of power and evidently something that we will never run out of. It is an endless supply.

We are encouraging wind power in this bill and solar energy which is quite exciting. I happened to visit some of the most outstanding solar institutes in the world, one of my last visits to Israel several years ago. I was very encouraged by the technology that is ready to come on the market with the right kind of encouragement and incentives. Many of these are in this bill. We can create new building materials that can lead the way to the 21st century.

This bill includes $300 hundred million for solar programs, several hundreds of millions of dollars for wind

and energy production, and $500 million in grants for biomass programs. Biomass is another example of a new and exciting technology which takes other materials to create energy. It serves to move us to a more diverse portfolio of supply to produce the energy we need for our Nation.

Another important part of this bill is the increased authorization for the Low Income Heating Assistance Program. Being from Louisiana, a State that is hot most of the year, and that we have had a hard time explaining to people that you can die from heat as well as die from cold, we have not been able to get the low-income housing assistance program directed to Southern States. This bill accomplishes that. For Southern States, this is very important to help our people who pay high energy bills and need the air-conditioning, not for comfort but literally to keep them from dying or expiring in some of the hottest and most humid weather. We are very happy that this increased authorization is in this bill.

Finally, I know the chairman from New Mexico and the ranking member will work with us to put some real teeth in the freedom car proposal that the President has launched and I support. It is not strong enough in this bill, but, as I said, nothing will stop us from coming back and putting real time frames and real measures of success.

Mandates for hydrogen fuel cells in our Federal fleet could be added to this bill. But our clean schoolbus technology, some other things that are in this bill, make it, on balance, a very fine bill and one that this country needs.

Again, this is not a Democrat or a Republican bill. It is really a bill in which regional interests are at stake. But from the perspective of Louisiana and particularly in the South, places that produce a lot of energy, this bill gives us relief. It gives us hope that natural gas prices can be reduced. It produces jobs, and it helps us lower the unemployment rate as well as makes our country more energy self-sufficient.

For all of those reasons, I will give my vote and support to the bill.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized for 20 minutes.

MEDICARE

Mr. REED. Madam President, we are debating at the moment the Energy bill, but there is another major initiative that we are all considering. That is the Medicare bill. I would like for a moment to speak about the Medicare bill.

We have a history. For 38 years, Medicare has been a central part of the life of America, not just seniors in America but every American family. Now we are being asked to consider, in the waning days of this session, fundamental changes not just to the addition of a pharmacy benefit for seniors but fundamental changes to the structure of the Medicare Program. We are being asked to do so in the waning hours of this session of Congress.

What we have seen from the situation in the committee is that it was a period of negotiation between very few people, producing fundamental changes for our Medicare system. It is important, I believe, to look at some of the changes today.

Much of the discussion that has taken place in the conference with respect to this proposal has not really been how best to use the $400 billion for pharmacy benefits for seniors but, rather, to make profound changes in Medicare, which I believe undermine, in the long run, the Medicare Program.

One could suggest that the original $400 billion budget allocation for pharmaceutical benefits for seniors was too meager. But we could have addressed at least how to make that money go as far as we could rather than simply using it as, I believe, a subterfuge in some respects to make changes to Medicare that have been promoted by many—particularly conservatives—for years previously.

The purpose of S. 1 and H.R. 1 was supposedly to craft a pharmaceutical benefit. Indeed, what happened is much more profound and more pervasive and indeed will go to undermine our Medicare Program, not strengthen it. I have serious reservations.

We all recognize that seniors need relief. Again, the $400 billion was a small part of the relief they need. It has been estimated by CBO that seniors will spend a total of $1.8 trillion on pharmaceuticals from 2003 to 2012, the 10-year period this bill will likely cover. The $400 billion, in context, is just a fraction of what seniors will pay. Nevertheless, we could have provided, I believe, much more focused, targeted, and beneficial relief to seniors than has been accomplished by this bill. More than that, we could have avoided these very serious and deleterious changes being proposed for Medicare.

Let me address a few issues. There is an issue in the bill that has been discussed, which is cost containment. It represents sort of a doublespeak, if you will. I believe if you asked most of my seniors about cost containment, they would say, hallelujah, finally, you are going to bring down the cost of the pharmaceutical drugs.

Wrong. In the language of this bill, cost containment is limiting the amount of money the Federal Government will contribute to the Medicare Program—not just pharmaceuticals but to the Medicare Program. In fact, if you look at what they have done with respect to the cost of pharmaceuticals they have made it very difficult for the Federal Government, through the Medicare Program, to negotiate lower prices.

Once again, if you asked any senior in this country, or any American, about cost containment, in the context of pharmaceutical drugs, they would say it has to be the reduction in the costs charged to seniors, not a reduction of the contribution this Government will make for seniors. It has turned the whole notion of containment upside down, topsy-turvy. Again, it will go a long way not to help seniors but to continue the unchecked increases in pharmaceutical costs we have seen.

There are reasons for this. Frankly, everyone has to recognize that revolutions in pharmaceuticals have provided a higher quality of health care in the United States. But my expectation, and my hope, was that if we were talking seriously about a Medicare benefit for seniors with respect to pharmaceuticals, we would have been able to use the market power of a nationwide Medicare Program to control prices—not set them but control them through the marketplace.

A large number of beneficiaries, purchasers, could go to pharmaceutical companies, through the Medicare system, and negotiate prices, which represents the buying power of millions of seniors. That is not going to happen because, quite deliberately and consciously, this program fragments seniors; it creates regions where certain programs will vie for the business of seniors through the Medicare system. That is not going to control costs. Yet we are talking about cost containment, not in that context at all but in the notion of just limiting the contribution we will make.

Again, I think what we have to recognize is that this is not going to be the way to deal with the crisis we face today and the crisis of the years ahead.

There is a provision in the legislation which essentially says that as the Medicaid Program exceeds 45 percent of the general fund contribution—our contribution to Medicare exceeds 45 percent of total program expenditures, and then the President must submit a plan to Congress, and there is pressure for Congress to move. But that is a rather arbitrary and artificial way to approach the cost of Medicare.

First of all, it doesn't consider the number of beneficiaries. It doesn't consider other factors, such as quality issues. It is an arbitrary device which I think will not control the real costs, which is the cost of drugs, but it will really inhibit and hamper our ability to serve our seniors. Again, this is one aspect of the legislation that I find particularly troublesome.

There is another doublespeak, and that doublespeak is premium support. Again, if you asked any senior in Rhode Island, Michigan, or Maine about premium support, they would say: Hallelujah, you are going to help me pay my premium; I have been waiting for that. That is not the case. It is helping the private insurance companies by assisting them not only in their operating expenses but with their bottom line in the process. That is not what most people thought about when we talked about premium support.

It will provide wide variations of premiums throughout the country, State by State, and even within States, region by region. Essentially, it will also encourage cherry-picking, a term we are all familiar with, in which these private companies that are being encouraged to now go after the seniors' business will be able to structure their marketing and their appeals to take the healthiest, younger seniors, leaving the older seniors—the most vulnerable and most expensive—to be covered in the Federal program. This will be great for their bottom line, but it will drive the cost of traditional Medicare up and up, and it will run right back into the cost containment trap we set up.

Medicare will be less ''efficient'' than private plans. Therefore, it will be subject to increased Federal pressure to lower the cost. All of this violates a fundamental principle of insurance, which is that you pool risk by aggregating a range of risk. You don't segregate the healthiest people and say we will ensure just those—well, if you are a profitable private insurance company, you do. But if you are trying to plan for a national program to assist seniors, you certainly don't do that.

It also defies the fundamental facts of history. In 1965, when the Medicare Program was created, seniors could not get health insurance because they were expensive to insure. They were a bad risk. No private insurance company would step up in any systematic way to insure them—unless you were phenomenally wealthy and you could probably pay for all of your medical care out of your wealth. For the average senior, in 1961, 1962 and 1963, you were not getting private insurance. That is why we stepped in. That hasn't changed.

Seniors today are still, on average, much more expensive to insure than younger people because of the nature of life and nature of disease and morbidity—all of this. This legislative proposal totally ignores that 35 years of history and the experience we all have.

Again, going back to our experience, it was not uncommon when I was a youngster, teenager or younger, to visit homes of my friends and there was at least one grandparent there—a grandmother or grandfather. Why? Because their health needs required somebody to care for them. It was the families, the 40-year-olds, 35-year-olds. Much of that changed in 1965 because now seniors had the ability to obtain health care coverage.

This whole system is being threatened by premium support, which will incentivize private insurers to come in and attract and subscribe the youngest healthiest seniors, leaving the traditional Medicare Program with the older, most expensive population to cover; and, again, all of this is leading into that trap in which cost containment will tell the Federal Government, oh, stop, we are paying too much money for seniors.

I believe this is, again, a profoundly poor concept, and it is further complicated and exacerbated by another aspect. We are creating a $12 billion stabilization fund, again, for private insurers. We are taking Medicare money, the money which our seniors—in fact, all Americans believe we are earmarking for senior health care and setting up a fund—a slush fund—that will provide further incentives to private health care purveyors and further unbalance the playing field between traditional Medicare and these new private plans.

We could have done much with this stabilization fund. We could have lowered the so-called donut hole when benefits expire for some seniors and then renew themselves after several thousand dollars of additional expenses. We could have closed that gap. We could have done a lot of creative, innovative things that not only would have assisted seniors but would also make a real concerted effort to control the cost of the program in a principled way. Yet we didn't do that.

We have created a situation in which, again, the deck has been stacked against traditional Medicare and against, I believe, the logic of insurance of aggregating as many risks as possible across regions, across the country, across ages from the youngest seniors to the oldest seniors, the healthiest seniors to the ones who are sick and frail.

We are also going to hit and create a situation where we will give incentives to these companies to fragment the Medicare system. Frankly, if insuring seniors was a profitable area of endeavor, 35 years ago we wouldn't have had to step in and create Medicare. If it was a profitable endeavor today, we wouldn't have to have a $12 billion stabilization fund, and we wouldn't have to have premium support.

We will spend more money than we have to and we will get less for our money and seniors will get less in terms of the benefits, not just pharmaceutical benefits but the overall Medicare Program. I emphasize again, this is not just trying to tailor and contain the cost of pharmaceuticals. This applies across the board.

Ms. STABENOW. Madam President, will my friend yield for a question?

Mr. REED. Yes.

Ms. STABENOW. I thank my friend from Rhode Island for laying out in a clear and concise way what our concerns are about this bill.

Madam President, wouldn't the Senator agree that our first goal should be to do no harm, rather than the items he is talking about? That the first goal of any plan to provide Medicare prescription drug coverage should be to make sure people are paying less and getting more coverage and getting more help? This bill doesn't do that, does it?

Mr. REED. I concur with my colleague from Michigan. Our first goal should have been to do what we told seniors for years we were going to do: help them buy pharmaceuticals, not change, undermine Medicare but to help them buy pharmaceuticals.

We could have applied all that $400 billion to do that. We didn't. We have stabilization funds to encourage private health concerns to compete with the traditional Medicare Program; we have health savings accounts, with billions of dollars there to encourage the insurance industry to sell health care plans to individuals. All of that very scarce money could have been used simply to say how much can we help the seniors to buy drugs and maintain our program. I agree with the Senator.

Ms. STABENOW. If I may ask another question, what the Senator is saying is there are billions of dollars being used in this plan on items that have nothing to do with helping pay for medicine, helping people get their care; is that right? The Senator is talking about billions of dollars going to HMOs, to insurance companies to help them compete against Medicare, which costs less, and that money could be used to buy medicine for people?

Mr. REED. The Senator from Michigan is absolutely right. I said this before. This represents, in some respects, the greatest bait and switch in the history of the Republic. Seniors think they are getting pharmaceutical protections, and they will wake up and discover the Medicare Program they thought was there forever has been changed irrevocably.

Indeed, even the pharmaceutical protection is not that extensive, comprehensive, or effective. The Senator's point about the cost of traditional Medicare is well taken. We already have experience with this. We have had the Medicare+Choice plans. These are private plans that are not able to provide a benefit as cheaply as traditional Medicare.

The 2003 Medicare trustees report estimated that reimbursement from managed care enrollees would exceed traditional Medicare costs. We are reimbursing HMOs more to care for their Medicare beneficiaries than we are through the traditional Medicare Program. We know that. That is 2003. That is the report of the trustees of the Medicare system. Yet we are still under this illusion that if we pour more money into the private HMOs through slush funds, through premium support—through all sorts of mechanisms—somehow we will change the reality.

We are not going to change the reality. The reality is that this general Medicare Program is efficient, is effective, it has stood the test of almost 40 years, and it is a system that I think every American sees as being effective, efficient, and, indeed, an important part of their family's well-being in the future as it has been in the past.

Ms. STABENOW. If I may continue with questions, when the Senator is saying this shifts money to HMOs and to insurance companies, I assume—at least my understanding of HMOs is—you don't choose your own doctor. We

are talking about seniors who now can go anywhere. I know in Michigan, they can go from the Upper Peninsula over to Detroit over to the west coast and the cost is the same. They can choose their doctor and go to the hospital they want.

Madam President, is it true that what Senator REED is talking about will take away people's ability to choose their own doctor and hospital?

Mr. REED. The Senator from Michigan is right again. Not only do you not have the ability to choose your own doctor, but sometimes it is the HMO that chooses you. We had the experience in Rhode Island of seniors signed up for HMO programs and the HMO said: We are not making enough money; we are leaving. They left the seniors high and dry. They found care by going back to the general Medicare system or another HMO. They found coverage, of course.

This is a one-way street. It is not a two-way street. You get to do what they tell you you can do. That is the way they make money. It is a profit-making enterprise. Frankly, there is nothing wrong with that, and if we were the managers of these companies, we might be pursuing the same techniques of carefully selecting our beneficiaries and questioning the doctors in every instance about whether this procedure is right or wrong. In fact, the greatest criticism of HMOs comes not from seniors but doctors. They can't abide working with them. It is accountants, not health care people, who are making the decisions.

We are setting this system up again. It is unbelievable, in some respects, that having had the experience of Medicare+Choice, having had the experience of a private insurance system that wouldn't touch a senior in 1965, and having the success of Medicare, we are entertaining these notions as if this is a good change, this is a good thing. We haven't learned.

This represents a triumph of aspirations or hope over the facts and reality of 30-plus years of experience and of the dynamics of the marketplace.

I thank the Senator from Michigan for her intervention because it has been useful in clarifying the discussion.

There is one other area that concerns me, and that is the notion of means testing. In the doublespeak of this bill, it is not means testing, it is income relating. It is like cost containment and premium support. It is income relating. It is really means testing.

What it does is it begins to lower the effective subsidy that the Federal Government provides the seniors based on their income. Frankly, starting off at a level of $80,000—you may say, well, maybe it is not too bad; maybe people that comfortable should be able to pay.

The point is, it begins to add another way in which we will segregate participants in the Medicare system because if your subsidy falls from 75 percent, which is what it is roughly today, down to 20 percent, that will be wealthy Americans, if this plan goes through, what it does is start raising questions: Why should I be in Medicare?

If I have to pay copays and I have to do this and I only get small support, why should I be in Medicare? A multiple class of health care is being created in this country. For all these reasons, I hope we have time to debate. I hope we have time to look at the legislation very carefully and not in the last few moments vote because time ran out.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I ask unanimous consent that Senator CLINTON be allowed to speak following my remarks.

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

Ms. STABENOW. I first want to again commend my friend from Rhode Island for his comments in laying out the concerns that many of us have. In thinking about this and thinking about my coming to the Senate, I came with a very important goal. One of my top priorities has been to help create a real comprehensive Medicare prescription drug benefit. Part 2 of that is to lower prices for everyone, for our seniors, so that the Medicare dollars, those precious dollars, can be stretched farther, but also for our businesses who are paying for very high health care costs.

We know about half of that is due to the explosion of prescription drug prices. So for businesses, for workers, for families, we have, I believe, an obligation to do everything we can to create more competition and more accountability to bring prices down. I came to the Senate with those two goals for health care for our seniors, as well as lowering prices for everyone.

Even though the bill that passed the Senate was not at all what I would personally have written, it had good bipartisan give-and-take. We passed a bill that I was willing to support in the Senate. Even though I believed it was just a first step, there was much more that could be done. We did include a strong bill to close patent loopholes and allow unadvertised brands, called generic brands, on the marketplace for better competition. We did create a low-income benefit that I believe was very good for seniors and a number of other provisions, helping our rural health providers, as well as all of our doctors and hospitals and other providers.

Now we are in a situation where, unfortunately, instead of the bipartisan effort that we came forward with in the Senate, we have seen a plan put forward primarily by only one side, and, unfortunately, one that goes way beyond the scope of any bill dealing with prescription drugs.

On the positive side, it does have positive provisions that can be pulled out if we choose not to move forward with this bill. I would hope in a bipartisan way we could pull out providing for rural health, pull out provisions for our physicians who continue to be cut and threatened with cuts as they are providing care for our hospitals and home health and nursing homes. We can do that if we want to. We can pull that out and pass that. It is very positive.

When we look more broadly at this bill, it is not a comprehensive prescription benefit under Medicare. It is not even a good first step. As my colleague from Rhode Island said, it feels like bait and switch. We are talking about prescription drug coverage, and we are going to end up dismantling Medicare. We started out talking about: How do we help seniors pay for their medicine? How do we make sure folks are not choosing between food and medicine and paying the utility bill? How do we make sure we do not continue to have the explosion in prescription drug pricing that is affecting every part of our economy and every family in this country? That is what we started out to do.

Now we find ourselves in a situation where the fight that started to add a drug benefit to Medicare is turning into a fight to save Medicare as we know it, to save it as a universal health care benefit, the only one we have in this country.

I view this as a matter of values and priorities. I am very proud of the fact that in 1965, this Congress and the President of the United States came together and decided that we, as Americans, were going to say to those 65 and older and the disabled in this country that health care would be there for them; regardless of where they live, regardless of their situation, health care would be for them.

Now, what has happened? Well, we have seen the quality of life improve for older Americans. We have seen people live longer as a result of the benefits of Medicare. Those over the age of 85 are the fastest growing part of the older generation. Why? Because Medicare has made sure that health care is available, the doctor is available, the hospital is available, and so on. This is not a bad thing. This is a good thing. This is a great American success story that we should be celebrating together, not beginning the process of unraveling the promise of Medicare.

When I explain to folks what is before us, they look at me, frankly, like I am crazy. When we say, well, we have a deal for you; a quarter of Medicare beneficiaries would pay more for their prescription drugs under this plan, not less, not even the same but more. That is because 6 million seniors who are the poorest of the poor, who are on Medicaid, 6 million seniors who really are choosing between their food and their medicine would end up paying more under this plan than they would staying under Medicaid.

Another issue of particular concern to my State, up to 3 million seniors could lose their current coverage. In Michigan, I have a whole lot of folks who have worked hard their whole life,

sometimes giving up a pay raise to get good health care and to get a good pension. In fact, in my State of Michigan, it is estimated that 138,810 Medicare beneficiaries would lose their retiree health benefits under this plan. How in the world can that be a good idea? How in the world can we say to people, ''We have a deal for you; you are going to lose your coverage as a result of this plan''? We started out saying we are going to put together a voluntary prescription drug benefit under Medicare, and now we are seeing a situation where people would actually lose benefits.

In Michigan, 183,200 Medicaid beneficiaries, the poorest of the poor seniors, will pay more for their prescription drugs that they need, and 90,000 fewer seniors in Michigan will qualify for low-income protections—90,000 fewer than in the Senate bill that we worked on, on a bipartisan basis, because of the assets test and the lower qualifying income levels.

I see my friend from Iowa, who I know has worked very hard on this legislation and who led the effort in the Senate that resulted in a bill that many of us embraced because it was a true, honest, bipartisan effort. I thank him again for that. This bill does not reflect what we did in the Senate. It does not reflect what we did on a bipartisan basis.

Unfortunately, even though hours and hours have been spent on this issue, we find ourselves in a situation where too many of the folks we represent will be worse off than they are now. That is of deep concern to me.

I am also very concerned that we are not seeing the competition put into this bill that would lower prices. When we talk about bringing prescription drugs back from Canada in particular, which is right next to my State of Michigan, that is something near and dear to me and the people I represent. It takes only 5 minutes to cross a bridge or a tunnel to go to Canada to bring back prescription drugs. Many of them are made in the United States. In fact, most of them are made in the United States, sold in Canada for 50, 60, 70 percent less, and then brought back.

In some cases they are prescription drugs that are made by American companies but actually manufactured in other countries—Lipitor, manufactured in Ireland; Viagra, manufactured in Ireland. They have a way to safely bring those back to the United States, working with the FDA and the companies. With a closed supply chain, they can do that.

There is absolutely no reason we cannot do that through our licensed pharmacists in the local drugstore or the licensed pharmacists in the hospital. There is no reason we cannot do that if we want to do that. It is just as safe. It can be crafted to be exactly the same, and just as safe, by allowing our local pharmacists to bring back these lower priced drugs to the local pharmacy rather than doing what is happening today, which is too many folks getting in a car or a bus and going to Canada.

I do have concerns about folks going through the Internet more and more, or mail order where they are not working with a physician, not working with a pharmacist, and don't know the interactions of their drugs and may not know, in fact, where those drugs are coming from. That is something we ought to be tackling as well from a safety standpoint, but that is different from reimportation. That is different than giving licensed pharmacists the ability to do business with a licensed pharmacist in other countries and, in particular, Canada where their system is so much like ours in terms of safety.

I am very concerned that that provision is not in this bill, despite a heroic effort among House Members, a bipartisan effort to pass a bill that would do what needed to be done to create that competition.

Also, I am very concerned that we have a lessened provision in here relating to closing patents and allowing more generic drugs to compete on the market because those things would really bring prices down.

Although we have yet to see everything in final form, it is my understanding there is actually language that doesn't allow Medicare to bulk purchase, to negotiate on behalf of all of our 39 million seniors to get a big group discount to lower prices.

Essentially, on top of our poorest seniors paying more, those with coverage possibly losing their coverage, we are being told that our precious tax dollars and Medicare dollars are going to be forced to pay the highest prices for prescription drugs. In fact, because our uninsured pay the highest prices in the world, I think it is fair to say we would be paying the highest prices in the world for Medicare prescription drugs. That means the dollars are spread even thinner than they would be. In order for us to really spread these precious dollars as far as they can be spread, we need to bring prices down. This bill not only does not allow competition, it stops Medicare from group purchasing in order to bring the price down.

Thank goodness we don't include that language for the VA and our veterans. In the VA, we negotiate for our veterans for prescription drug coverage. We don't pay retail as the Federal Government. We don't pay retail. We get somewhere between a 30 percent and a 40 percent discount.

That is exactly what the pharmaceutical industry doesn't want to happen under Medicare, which is exactly why there is no competition in here. There is no ability to group purchase in terms of overall Medicare leverage.

This is a bill celebrated by the large pharmaceutical companies, because they know they are going to get a whole new group of folks, their customers, who will be locked into the highest possible prices.

I know they have a reason to celebrate. I understand. There are six drug company lobbyists—probably more with this bill but at least six—to every one Senator. They must be celebrating. But I know the seniors of this country and the disabled, when they see what is really happening—unfortunately, it doesn't take effect until 2006 so they won't really be able to see what is happening until then—but once they see it, they are not going to be celebrating. They are, in fact, going to be very angry.

We can do better than this. We have to do better than this. There is no reason we can't come together, as we did when this bill was before the Senate, and work out something that makes sense. People are counting on us to do that. They are trusting us to do that.

Unfortunately, what is in front of us is much more about making sure we are protecting special interests than the people's interests. This is much more about HMOs and insurance companies and pharmaceutical companies than what seniors are going to be doing tonight when they decide if they are going to be able to have dinner or they are going to have to wait because they have to buy the medicine tomorrow.

We can do better. I hope we will. If what comes before us is what we have heard and what I have described tonight, I will strongly oppose it and do everything I possibly can to join others to oppose this and send this back to the drawing board.

I saw some numbers this morning of a poll done in the last couple of days of those 55 and older, describing this plan. It was interesting to me, of those polled, 65 percent who were members of AARP said: Go back and go to work and get it right. Don't pass this.

I agree with those 65 percent of the people. I know they reflect the people I represent in Michigan. I urge we go back to work and get it right.

The PRESIDING OFFICER (Mr. ALEXANDER). Under the previous order, the Senator from New York is recognized.

Mrs. CLINTON. Mr. President, this is a day of considerable activity around the Senate because we have two significant pieces of legislation that are drawing the attention of Members who come to this floor to express their opinions. It is hard to know where to start. There are significant problems and issues with both the Energy bill and the proposed Medicare bill. But because they have only recently been provided—with the Energy bill only in the last 24 to 48 hours finally being made available; with the Medicare bill still not being available in its full form—it is difficult to know what to say because, although we have the outlines of legislation, we don't have the full details, and we certainly don't have adequate time to digest and analyze these important matters.

So, I am sure that, like others, I am somewhat bewildered by the rush to deal with these two bills, to force action before the Thanksgiving holiday on such grave matters before our country.

I want to say just a few words about the Energy bill, and then I want to say a few words about the Medicare bill, because I think it is important that the country understand what is at stake with both of these significant changes.

With respect to the Energy bill, I am strongly opposed to it. I think it is bad for my State of New York and I think it is bad for our entire Nation. Yet I am very disappointed to find myself in this position where I feel compelled to oppose something called an Energy bill. There are provisions in this bill that are good, ones that I have worked on and have supported and am very pleased that they made their way into the final product.

Of course, after the August blackout, I wanted to do everything I could in my power to ensure that New Yorkers never had to go through anything like that again. I thought certainly in the face of a massive blackout that this body and our friends on the other side of Capitol Hill would rally together to take appropriate steps to increase the reliability of our electricity transmission and distribution system. What could be more obvious? The lights went out, and they went out because of failures and problems within that system.

Unfortunately, the Energy conference report did not get that job done, which to me is job one. I know the bill's proponents point to the fact that it includes mandatory enforceable reliability standards. I agree. Reliability rules are important. There should be mandatory rules with penalties, but those rules are not terribly meaningful if the entities that operate and manage the transmission system are unable to plan for and respond to crises. For that, you need a transmission system to be operated on a regional basis so responses can be coordinated on a regional basis and connected up to a national grid. At the very least, you need regional transmission organization.

What have we found out today? There has been a report issued about what happened to cause the blackout. Although details are not yet fully available, we know there were a number of causes for what happened to us on August 14. The fact is, no one appears in charge of the sprawling, heavily loaded, and troubled part of the transmission grid running around Lake Erie. A portion of the Midwestern grid centered in Ohio has long worried industry regulators.

The Energy bill that passed the House yesterday and which is now before us would create operating rules to lessen the risk of blackouts, but it does not overcome that region's fragmented line of authority where control is shared by 23 different power and transmission companies. The bill before us prevents the Federal Energy Regulatory Commission from setting up regional transmission organizations—so-called RTOs—that can effectively coordinate transmission on a regional basis.

If you are supporting this bill because you think it will prevent future blackouts, you had better take another look at the bill.

I start with this point because it is absolutely critical to my constituents and because there has been a lot of talk about how we had to move this bill because of the blackout. But how ironic it is that we move a bill which does very little to solve the problems that have now been analyzed and pinpointed as being at the root of what happened to us in August.

That is just one of many problems with the bill. I join many of my colleagues in expressing dismay about the MTBE provision in the legislation.

First, the bill provides a retroactive liability waiver for MTBE producers. This provision turns the so-called polluter-pay principle on its head. It basically says to communities from New York to California: Guess what; we may have contaminated your groundwater, we may have contaminated your wells, and we are not going to help you clean it up.

I heard some of my friends on the other side say: Wait a minute; it doesn't remove liability from people who negligently used MTBE. The fact is, there is no good use for MTBE. It is a contaminant. It pollutes water. Whether somebody poured it in fast or poured it in slow, the result is the same.

We don't know the full cost of these cleanups. I have read estimates that it could be on the order of $29 billion nationwide. In New York, we are coming to grips with that kind of extraordinary cost, especially in light of the budget problems that we face.

Paul Granger, superintendent of the Plainview, NY, Water District, has provided estimates to my office about contamination on Long Island, one part of our State. But it is a beautiful part that has an underground water aquifer from which we draw water for Long Island. Mr. Granger estimates that testing the 130 supply wells known to be contaminated by MTBE will cost between $990 million to $1.4 billion. If you divide the 3.3 million Long Island population into that cost range, the MTBE drinking water cleanup costs will range from $118 to $315 per person. The cost impact for a typical family of four trying to make ends meet would be from $472 to $1,206 per family.

With respect to the Plainview Water District, Mr. Granger informs me that in the event that MTBE wellhead treatment is required at all of its facilities, the average monthly cost for water will jump by 49 percent.

As far as I can tell, this is another one of these unfunded mandates we like to pass around here. You have problems with water contamination directly caused by a contaminant that was manufactured by large conglomerates. They have deep pockets, and they could at least participate or contribute to helping to clean up water systems on Long Island, across New York, and across our country.

Well, you are out of luck. Is that fair? I don't think it is fair. I don't think it is fair to the people of Plainview, NY. But it is fair if you consider it along those terms for the MTBE producers.

Apparently, that is all that matters to the people who put this bill together. Maybe they don't have this problem in their States, although I have looked at the numbers. It looks as if all but 8 or 10 States are affected by MTBE. The costs associated with cleanup—where is money going to come from? Is this body going to pass on the billions and billions of dollars that are going to be needed to clean up our water systems across our country?

I can't imagine under our current budget situation that is a likely possibility. Therefore, what are we going to have happen? Once again, the taxes on local people will rise—again, another unfunded mandate just like special education, just like No Child Left Behind, and so much else that we passed in this body and then let somebody else pay for it.

New York City, which obviously has a very significant water issue, had been taking action to try to get some help in paying the bills and had sued the MTBE producers. Under this bill, their lawsuits are going to be thrown out of court.

I find it hard to understand why local governments aren't going to be permitted to protect themselves and to get the resources from the people who profited from producing and selling MTBE. I thought that is the way the system worked. Somebody said it is the trial lawyers. I don't think so. Mr. Granger in Plainview, NY, and the city of New York are trying to protect their water supply. Yes, they may have to go to court to do that. Why should they be prohibited in this bill from doing so?

As bad as the MTBE liability waiver is, the bill doesn't stop there when it comes to the MTBE producers. Unbelievably, the bill provides $2 billion in grants to MTBE producers. What about grants for the water systems of our country? What about lending a helping hand to Plainview, NY, and all the other places in my State that are looking at tens of millions of dollars to clean up their water supply?

I can't understand how anybody can go home from this body and go back to wherever they represent and look into the eyes of their fellow citizens and say: Not only did we tell your mayor and your city council and your county leaders they couldn't sue, we are going to give $2 billion to the folks who polluted your water but not a penny for you.

I wasn't on that side of this argument. Nevertheless, that is what is in this bill.

There are many other problems in this bill. The numerous rollbacks of environmental and health protections deeply concern me.

I hope we will be able to revisit those and try to figure out ways to avoid

turning the clock back on making our air cleaner, on helping people avoid the ill effects of pollution and contaminants in their emissions.

But there is so much else in this bill that, unfortunately, I believe will set us back. It is a shame because there are many ways this could have turned out differently, that we could have had the good provisions without so many of the egregious ones being put into this legislation.

I will now turn to the other issue we are confronting in the Senate. I don't see how we can deal with a Medicare bill of this significance at this time when, so far as my office knows, we still do not have the final bill as I came to the floor. We will have a lot of explaining to do to our constituents.

Every Member hoped we could get a bill to provide a prescription drug benefit for our seniors. They need it and they deserve it. I wish I could support this bill. Analyzing what we are able to find out and what the likely impacts will be leads me to conclude that not only will this bill not deliver on the promise of a drug benefit for our seniors but it will mean the slow, but steady unraveling of the Medicare system.

Let's look at some of the people who will be directly affected by this 1,100-page bill. I cannot avoid mentioning this is a long bill. I am not sure anyone has read it yet—maybe some staff person in the basement has read it all—but it is 1,100 pages. I remember another long bill 10 years ago, a bill to change the whole health care system, not just tinkering with Medicare and trying to provide a benefit.

A lot of our seniors are asking: What does this mean? Who can tell me what is in it? How will it affect me? On an individual level, that is an impossible question to answer. We do not know who is a winner or loser. My office is being inundated with calls from constituents, asking: I am a senior in New York City living on a small pension; what does this do for me? Or a widow in Buffalo, with high drug benefits: What does this do for me? We do not know yet.

Here is what we do know. At first glance, there are a number of groups who definitely lose under this legislation. The numbers in the groups add up to about 25 percent of all Medicare recipients, 10 million or so. This bill causes retirees to lose benefits they currently have. At least 2.2 million retirees will lose under this deal and over half of them have incomes below $30,000. In New York, over 200,000 Medicare beneficiaries are likely to lose their retirement benefits.

As a result, my phones are ringing off the hook over this. People are saying: I have good benefits; I do not want this if it will take away the good benefits.

I have to say, honestly, based on my reading, the assessment on the numbers who will lose, I may even be a little conservative. Nevertheless, there will be a loss.

We could have done more to avoid having 2.2 million lose, but the conferees chose instead to spend $12 billion on a slush fund for private insurers and $6.8 billion on tax breaks that will undermine insurance coverage even beyond Medicare.

It is fair to say this bill threatens benefits that people already receive from their employers. There is no argument it is going to take that reality and turn it into something other than what it is. It is a bitter pill to swallow.

This bill also threatens to reduce drug coverage for the 6 million people who are eligible for both Medicare and Medicaid. I have spoken about the so-called dual eligibles before because they are the people about whom I am most concerned. They are the lowest-income, sickest Medicare beneficiaries. Many rely on Medicaid right now for drugs because Medicare does not cover drugs. This bill bars Medicaid from providing drugs not covered by the new Medicare plan. That is a departure from the practice for all other Medicare benefit gaps. This will affect nursing home residents, people with disabilities, and the truly indigent nationwide. We estimate it will affect 440,000 in New York alone.

If we look at the New Yorkers who are eligible for both Medicaid and Medicare, right now they can get access to any drug they need and they can access most any pharmacy. This bill will increase their copays, limit their choice of drugs, and restrict the pharmacy network.

HIV/AIDS patients are particularly affected since this bill only requires coverage of two drugs in any class. HIV/AIDS patients need multidrug cocktails that may require more than two such drugs and often require very specific medicines that are prescribed for their condition. Some drugs they might take or have taken for a period of time could eventually encounter resistance within their bodies. For those patients, this provision on dual eligibles does a grave injustice.

The millions who currently receive coverage through State prescription drug assistance programs, such as the one we have in New York called EPIC, are also at risk. In New York, over 400,000 seniors, nearly a quarter of our Medicare beneficiaries, rely on EPIC, which does not have a formulary and often offers better coverage than what a senior will be able to get under this bill. The compromise in the bill puts seniors in EPIC at risk of a new formulary, higher copays than they have now, and places limitations on the pharmacies they can use. It will force the New York Legislature to change the law and the design of EPIC, assuming they even want to continue it.

I have also asked that seniors who will either have to disenroll from the current EPIC plan or will have to enroll in two plans to continue to qualify for drug coverage be given a grace period so they are not penalized if, in the confusion and disruption of this transition, they do not understand what they have to do to continue to get whatever State program is available because they have to sign up for a new Medicare benefit program to continue with EPIC.

I recently heard from the people who are finalizing the bill that the new formularies, limitations on pharmacies, and higher copays will not only affect seniors in State prescription programs but also veterans who depend on the VA and members of the military in TRICARE, many of whom currently pay very low and in some cases zero copays. Again, the millions who have coverage throughout these programs will be worse off than they are now.

What about the issue of premium support? For those 6 million seniors affected by the premium support experimental demonstration, overall Medicare premiums will increase yet again; this time, as the price of privatization.

MedPAC has studied this issue and found that private plans cherry-pick. That means they pick the healthiest seniors to be in their plans. That is how they make a profit. If you are insuring the healthiest people, you do not have to pay as much money as if you insure people who are not so healthy. Therefore, they try to attract the healthiest beneficiaries. That way, they get a big payment for those healthy beneficiaries and they, frankly, do not have to pay much out when it comes to beneficiaries needs.

The GAO has said the population is so much healthier that the Medicare+Choice plans are now overpaid by 19 percent when one considers the health condition of their beneficiaries.

If fee-for-service has to compete and it is the only plan willing to continue to serve the sickest and costliest patients, anyone who wishes to keep their regular fee-for-service Medicare will see their cost rise, probably up 5 percent each year. But who knows how high that percentage will go in the future? Ultimately, the 6 million seniors across the country who are going to be put in the demonstration experiment will pay more just to maintain their Medicare benefit.

This is not just an academic exercise for me because New York is likely to be one of the States with residents chosen for this experiment. Our seniors will be used as guinea pigs, so to speak, in the rush to try to in some way prove that Medicare, which has the most cost-effective delivery system, which has provided a guaranteed benefit that is the same across the country now for nearly 40 years, is somehow inadequate and unable to really deliver the goods. So we are going to see what happens when over 500,000 New York seniors who reside in areas that could be chosen for premium support are thrown into that mix, and told that you are just going to have to pay those higher prices, and just shovel that money out the door to the HMOs and other health insurers that are going to be standing there with their hands out.

But the bill does not just create a radical scheme for Medicare; it really does take aim at our whole system of insurance by the inclusion of these so-called HSAs. They used to be called MSAs, medical savings accounts; so now I guess they are health savings accounts. The new name does not change the fundamental problems with these proposals.

By promoting these accounts, these provisions will allow wealthy and healthy seniors to get tax benefits. But it would also mean increased premiums of as much as 60 percent for those who wish to keep their current private insurance.

To arm the enemies of Medicare, there is a so-called cost containment provision which designates an arbitrary cap on Medicare. We are bound to hit that cap as the baby boomers age. Once we hit it, that guarantees that current Medicare benefits will be on the chopping block year after year. So I have to send out a big warning to everybody on Medicare, but also to those like me who are not that far away from Medicare, that we are looking at the dismantling of this program, and we are moving back toward a survival of the richest and the fittest.

Now, considering all those harmed by the bill, you would think we would be getting a generous drug benefit out of all of this. Well, in fact, we do not. Many seniors will be paying more out of pocket for drugs under the skimpy benefit in this proposal than they are now without any so-called drug benefit at all.

Every single senior in this country will pay more out of pocket than they do now for doctor services in 2005. That means that before the drug benefit even starts, seniors will be hit with increased cost-sharing. Seniors can expect a 10- increase in their Part B deductible right away, and yearly increases after that for the first time in history. Those increases are pegged to grow at a rate faster than seniors' Social Security checks.

In addition, the drug premium may be $35 a month, on average, but it increases so quickly that seniors will be left paying more and more for little additional benefit.

As we know, this bill creates a new insurance structure where seniors will continue to pay premiums for part of the year even though they are receiving zero benefit at the same time. Now, I don't know. I don't think we have ever passed an insurance plan in this country where you are told you have to pay all year but there are going to be a few months in the year that you don't get sick, don't get hurt, don't have an accident because you will be out of luck.

There is not an insurance commissioner in this country who would gladly allow such an insurance policy to be marketed in their State. Yet here we are. Seniors will pay premiums, even in the so-called gap months, when they have no benefits.

Then the $35 premium goes up to $40, and then nearly doubles, reaching $60 by 2013. I think that is a burden for seniors if the benefit they return is not guaranteed all year, every year, and if it, in and of itself, may not even meet the cost they put into the system.

I have heard from some analysts that the break-even point for seniors in this bill is $835. Now, 40 percent of seniors spend less than that on drugs each year. According to the analysis I was given, this bill will actually represent a net loss to 40 percent of our seniors if they join. That is a lot of seniors. We are talking about 16 million or so. They will end up paying more in costs in premiums than they receive in returns. So when all is said and done, this is a bill that decreases some people's benefits, eliminates other people's benefits, and costs more to many.

I think history has demonstrated the political repercussions of such experiments that go right to the heart of what people value the most; namely, their health.

But now, even though there are many losers in this bill, I want to be fair. There are also some winners. They are many industries and some individuals. But there are winners. A recent study found this bill will give drug companies a $139 billion windfall. Because there is no cost containment in the bill, the drug companies are assured of their profits.

Furthermore, the health plans—already overpaid 19 percent compared to what Medicare is paying for seniors in traditional Medicare—will receive another 7 percent on top of that in addition to the $12 billion slush fund in this bill.

Now, there may be some help in this bill for some of the 12 million or so Medicare beneficiaries without any kind of drug coverage—not through Medicaid, not through Medicare+Choice, not through the VA, not through TRICARE. They simply do not have it. Maybe some among those 12 million might be winners but only if they make it through a thicket of confusion and hit a moving target.

Because, let's face it, this is a very complicated bill. It is going to be very complicated to implement. I remember hearing a lot of complaints about that bill of 1,300 pages, the Health Security Act back in 1994, and that dealt with the entire health care system, not just with seniors.

Now, all signs show this bill is not seeking to add prescription drugs; it is seeking to change the whole health care system. I have to give them credit, they got it to 200 pages less, so that is some accomplishment.

I think we ought to look at what is going to be facing seniors as they try to make decisions about their health care.

What I have done is to take the tales of two seniors, to look at what the differences would be, and what a typical senior would face when trying to determine what they could have under this bill.

The first tale concerns a retired small business owner in New York City, an urban senior. Now, this senior has many choices in the first year, 2006. He looks at his choices. He has PPOs and HMOs and private drug plans and Medicare. He has choices. So he takes a look at his choices and decides to stay in traditional Medicare. He picks the private, stand-alone drug plan with the lowest premium of $35 a month.

He gets into that plan.

Then he discovers, too late, that his drug that he has been taking for a few years is not on the private insurer's formulary. So even though he has had bad side effects from the drug that is listed, he has to go through a lengthy appeals process. Although he eventually wins his battle with the private insurer, he has had to pay out of pocket for the drug in the interim.

So suppose what he is suffering from is, let's say, diabetes—a very common disease among our seniors. In the process of trying to get on the right drug, trying to pay for the drug he has been on, he is locked into this plan and he cannot change until the next year.

Now, let's go to year 2, 2007. So let's say the private drug insurer plan the senior was in has dropped out of Medicare, which happens all the time because its low premium, the $35 a month premium, could not sustain enough profit. But our elderly gentleman does not mind because he wanted to switch anyway. He did not want to stay in that drug plan because they did not treat him well.

So he chooses another private drug insurer and he pays a higher premium. This time he decides to go with a more expensive premium, thinking he is going to get more of what he needs. He pays $50 for drug coverage on top of his now $79 Part B premium. But he makes absolutely sure his drug for diabetes is on the plan's preferred drug list and he can continue to see his doctor.

During the year, however, the private insurer changes its formulary—there is no rule that says it cannot—so that his drug gets assigned a higher coinsurance amount. Although the plans can change what they cover during the year—it can be the old bait and switch: Sign up with us. Your drug is on the formulary; and 6 months later, no, it is not—the senior cannot get out of the plan until the year is up.

So year 3, our senior does the math. This is a man who has really been working on this. He has spent a lot of his waking hours trying to figure out this maze of so-called benefits.

To stay in traditional Medicare, he will pay the monthly premium of $83 in 2008, plus at least $50 for prescription drugs, in addition to relatively high copayments. The private insurer he was with has dropped out. If he joins an HMO, he can pay $75 for base Medicare coverage, plus $42 for prescription drug coverage. Now he is up to $192 a year extra to stay in regular Medicare, and he has to worry about whether or not the private drug plans are going to change on him again as they have in the past.

You could make this even worse because suppose that the HMO plan no longer recognizes his doctor, and if he joined he would be stuck again for another year. It just goes on and on. I am not looking forward to explaining this to my 84-year-old mother. We are going to have to set up a whole gigantic bureaucracy of individual case counselors to try to explain to seniors what this all adds up to. And this maze, this totally confused picture, is what is available in an urban area where at least there are choices for seniors. Let's look at what happens to a woman who lives in upstate New York.

Let's pick an 85-year-old widow who has had a stroke. She hasn't had drug coverage before. She has lived on a Social Security payment and a small pension from her late husband. She took regular trips across the border to Canada, though, because we are lucky in upstate New York. We can just go right across that border, or we used to be able to go right across that border. She could afford those drugs because they were a lot cheaper, and they were absolutely the same drugs. She takes five different drugs on a daily basis.

In the first year, 2006, no private HMOs or PPOs plan to come to her town. She is up in the north country, up near the Adirondack Park. For anybody who has been up there, it is really beautiful. It is isolated, and it is really rural. She loves living there, and she wouldn't live anywhere else.

Well, she has never had any of these private plans in her community before, and she doesn't know what is going to be available to her. So two of the new private drug-only plans are offered. One has monthly premiums of $60; the other has monthly premiums of $50. The lower premium plan has a complicated set of copayments that tends to be higher, when you add it all up—assuming somebody helps you figure out how to add it all up—than the higher premium plan. But she goes ahead and chooses the $50 plan, and she sees some relief. But she calculates that with annual drug costs below the catastrophic benefit, she is still not getting a very good deal because for her, she is still paying about 70 to 80 percent of what she had before.

Now year 2—and this happens all the time in rural areas, as we know—the private plan drops out of Medicare. That is a common experience for rural residents. So Medicare must provide a fallback plan. This plan seems quite good to our widow. She pays $5 less than what she paid in the private plan the previous year, and her prescription drug benefits are covered. But year 3 the local papers announce that the payment rates for HMOs, which are 30 percent above the local cost of traditional Medicare, have finally attracted an HMO to the area. Remember, we are pumping all this premium subsidy out there. We have billions and billions of dollars to entice folks to come to the North Country and other areas.

Well, this creates a dilemma for our senior because she now has to determine with whom she can go and who is going to take best care of her because if the HMO comes, maybe it will attract some competition. And let's say that another private drug-only insurer shows up. Medicare is providing bonuses to private plans who come to the area. So as a result, remember, even if it only lasts for just a year, even if it doesn't have your drug on the formulary, even if it no longer is affordable for you, once you have two competing private insurers, there is no fallback plan as an option. So the senior faces the so-called choice of monthly premium increases of $24 to stay in traditional Medicare or just $1 more per month to join the HMO. Given that this difference is $288 a year, it is not even a choice. That would wipe out her annual increase in Social Security benefits.

She feels forced to go into the HMO. She loses her doctor, she loses the drug that she needs, and she has to go through an appeal. I can guarantee you, there is not going to be a lot of appeals courts in isolated areas like the North Country. So it is going to take a while even to go through this. Now this 87-year-old woman is having to fight for, litigate for, argue for the drug her doctor says she needs, or her former doctor, because she can't go to him anymore because there is no affordable regular Medicare fallback. So she is stuck with one of these two private plans. Here today; gone tomorrow.

The lesson I draw from this is whether you live in a rural or an urban area, your choices are tilted toward enrolling in HMOs and PPOs. I think that is a shame.

Medicare's strength, a reliable system of coverage and predictability, will have been replaced by a complex, insured-driven, cherry-picking system. There may be some seniors who will be helped under this bill. I hope I am healthy enough when I reach that age that I am not going to be disadvantaged by whatever we have in place, but I find it hard to explain how we could end up with a bill that is so much narrower, so much more uncertain than the bill that received a majority of votes in the Senate last year, the Graham-Miller-Kennedy bill.

Among those who might gain under this bill, they are not only small in number, they don't even know who they are. I asked seniors this morning at a big meeting: Who among you knows for sure that you won't get hit by the fine print in the bill? How many of you really believe you are winners under this bill? Don't you wonder why nobody is really telling you everything you need to know to be an informed citizen, to make a decision in your own mind that you can then tell your elected officials what you think should be done?

We are on a course to passing a bill where no senior watching or listening to this debate is going to be sure that he or she will be helped. We have pushed it past the next election so the full burden of trying to figure it out won't really fall on anybody until 2006. And if you look at this chart, it is kind of hard to draw any other conclusion. If you are a retiree, you would have no idea of knowing whether your former employer will keep you or drop you. If you are poor, you be poor enough to get coverage under Medicaid. And if you are, you may no longer get all the coverage you need for your needs. If you are sick, will you be sick enough to be covered under Medicaid, and under this bill will Medicaid really cover your particular health care needs? If you are in a nursing home, are you going to be really left to fend for yourself in a nursing home in a State prohibited from providing Medicaid wraparound funding. And your health needs will compete with those of children and other needy people? If you are in a State prescription drug program, you will pretty likely be a loser as well. If you are in the premium support guinea pig category, good luck, because I think you will see that you are going to have an amazing obstacle course to try to run.

I must say many of the obstacles confronting our seniors are triggered by decisions we have had made for us in this conference that was quite small in number and exclusive in membership and came out with a product that is going to be very hard to defend. It will be particularly hard to defend if we look down the road and we see the threats to Medicare on the horizon.

I have heard colleagues say—and I respect this—that this bill is not perfect, but it is all we could get. I understand that perspective. There is good and bad in every bill. I don't think since I have been here I have voted for a perfect bill or voted against a totally bad bill. I understand that perspective. I am grateful this bill does take steps to help our rural and small community hospitals to resolve some of our teaching hospital issues and to address the absolutely compelling physician payment issues. We should be addressing those important matters, but not in the context of a bill which will further undermine the program providing the capacity for hospitals and doctors to provide decent care at an affordable cost.

This bill has too many flaws for us to go forward. The privatization scheme that is tied into this bill, in a box with a big bow saying prescription drugs, is one that will make structural changes to this program which has been the bedrock of protecting our seniors and guaranteeing them the health care they have needed.

So I hope we can still salvage this bill. I hope we can still try to keep faith with our seniors. I think we should postpone dealing with it beyond the forced deadline of right before Thanksgiving, so that everybody has a chance to read and evaluate it.

But if we are required to go forward, then I certainly cannot be a party to a bill that I think will undermine health

care for our seniors, fail to provide the benefit that is advertised, and lead to the slow and steady unraveling of Medicare, which I consider to be one of the great achievements of our country in the 20th century.

On behalf of the hundreds of thousands of seniors I represent, who are definitely losers under this bill, I have to respectfully request that we go back to the drawing board, that we try once again to do a job on a bill that will really help our seniors, and that we not take steps that will undermine the guarantee of health care under Medicare.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, is there a time agreement?

The PRESIDING OFFICER. There is not.

Mr. SESSIONS. Mr. President, I don't think we are rushing into the prescription drug bill, nor are we rushing into the Energy bill. We have been wrestling with those bills for an interminable period of time—years. They have been up and down and debated and discussed, and conferees have worked their hearts out on these bills.

We are spending, on prescription drugs, an additional $400 billion. I don't believe anyone is going to be hurt by this effort. AARP has reviewed this bill and they support it. They would like it to spend even more, but they are supportive of this bill as a historic effort.

There is no doubt, with regard to prescription drugs, that there is the potential to provide the poor in this country, many of whom this very day are choosing between food and drugs that they need for their health, with prescription drugs essentially for free, up to 150 percent of the federal poverty level. A huge percentage of the seniors in this country are going to have access to necessary prescription drugs, virtually free, under this bill.

If there is any problem with it, I suggest that maybe we have done a bit too much, that we could have been somewhat more restrained and focused less universally on this bill. But conferees debated it and it is a bipartisan effort by Democrats and Republicans in both the House and the Senate. Now we have a bill and we will have to see how it goes.

I hope to be able to support it because I told my people in Alabama that I wanted the people who could not afford drugs to have them paid for. This change does, fundamentally, make sense. At the present time, we pay for your surgery, we pay for your heart operations, but we will not pay for the drugs that we know will help prevent a heart operation. We will not pay for the drugs that could avert the need for a kidney transplant, but we will pay for the kidney transplant. It is an odd thing.

I will take a few moments to talk about the MTBE question. It is a matter that has become a big point in the debate on the Energy bill. Frankly, I think it is a bit overdone. Some senators have said that if a company makes a product, the company ought to pay for it if their product causes damage. But that is not true. That is not the law in America.

That is not classical American liability law, tort law. As a matter of fact, it is an indication that this Congress and this country is losing its discipline on what is a legitimate basis for a lawsuit.

You can say, well, they made MTBE and it got into the water system in this community; therefore, the maker of MTBE ought to pay for it. They say that is what the law ought to be and they ought to pay.

Would somebody say Folgers should be responsible if a Folgers brand of hot coffee burned somebody in a McDonald's restaurant, or that McDonald's should be liable? If somebody takes a can of Campbell's soup and smashes a guy on the head with it, is the maker of the can of soup liable? Certainly not.

Let me share a couple of things. After 9/11, we realized we were facing a situation in which airlines had suffered a dramatic loss of ridership. Somebody woke up and said: Wait a minute, they are going to sue the airlines for 9/11. Why? Well, maybe somebody was asleep at the switch when a terrorist got by, so we can sue them. They think the airlines have a lot of money and they can pay for everybody and everybody will make lots of money. We can attach liability to them.

Congress, in considering that, passed legislation that would compensate the victims in New Jersey and their families for $1 million or $2 million each. As a consequence of that, they would waive liability claims against the company. The airlines' planes were seized, commandeered by terrorists. In truth, in the history of America, under classical law, the airlines are victims just as much as the owner of the Trade Center towers is a victim. We are in a situation in which the lawsuits in America, having eroded classical constraints on them, too often are successful in suing whoever is standing around—whether they have any real liability or not.

I think about the gun liability question. There are over 60 Senators, including Democratic Leader Tom Daschle, who support legislation to protect gun manufacturers, under certain circumstances, from liability. Why? Because cities and other groups, for political reasons, are suing the gun manufacturers because someone used their gun and committed a crime with it.

Well, under the classical rule of law—and I used this defense in one case—a person is not responsible for an intervening criminal act. The gun manufacturers make a gun that does what it is supposed to do. You aim it and point it and a bullet hits something or somebody. That is what the gun is supposed to do. The Federal Government passes legislation about how and to whom you can sell a gun, under what circumstances. They have to sign a statement, and there is a waiting period. They have to certify that they are not a drug addict or they have not been convicted of a felony. Then they can buy the gun, under certain circumstances. States have even more rules, and they comply with that. But they want to go further. They want to sue the gun manufacturer because somebody took a legal product, sold according to Federal law, and used it for a crime. They want to sue the gun manufacturer because I guess they think the gun manufacturers have a deep pocket of money. That is not what we ought to be about.

The MTBE was essentially a Government requirement over a decade ago. It is an oxygenate. It was produced and it did what we required to be done in order to improve air quality in America. The EPA could have stopped it if they had wanted to, but they never stopped utilization of it. It was encouraged. It was passed by Senator DASCHLE, who introduced an amendment that required it to happen. Everybody knew MTBE would be the product utilized more than any other product as an oxygenate to meet the environmental regulations.

So you say, well, if they put it in the water system, they ought to be liable. Right, if they put it into the water system, they ought to be liable. But if they didn't put it in the water system, they ought not to be liable. It is getting into water, but not because it is burned in the engines and goes through the environment and settles into the water. The argument is that some water aquifers are being polluted with MTBE as a result of leaking from tanks and from pipelines and matters of that kind.

It is legitimate, fair, legal theory that if a manufacturer of MTBE allowed its pipeline to leak or allowed the storage tanks to leak and the chemical got into the water system, then you can sue him. That is what we ought to be doing.

As I understand the language in this bill, it does not prohibit that kind of lawsuit. If you allow it to escape negligently into the system, then you are liable. That is what classical American law is all about. That is what it has always been about. However, it has never been about the producer of a substance being liable for pollution if somebody else takes it and dumps it into the water system of America. How ridiculous can that be? The person who dumped it in the water system is the one who ought to be liable and ought to pay.

As I understand the language in the bill, that is all that it says. You have to be the one who was responsible for letting it get into the water system. Maybe it is a local gasoline distributor who has a bunch of old tanks that leak and that person allowed it to get into the water. Is a manufacturer somewhere that didn't have any contact

with this company liable for the leak? Certainly not. If we have any legal discipline left in this country, certainly not. But that is where we are heading.

I also know there have been a good many problems with leaking tanks in this country. There is a big trust fund—I believe there is $2 billion in that fund—in case the gas station or the small gasoline distributor has gone bankrupt, doesn't have insurance, or doesn't have any money. What happens then if some of these even more dangerous chemicals, certainly more dangerous chemicals than MTBE, leak? Who would pay? This fund will pay.

The point is, Shouldn't we make sure we are thinking clearly about this issue? What is wrong with having within this legislation language that affirms a classical understanding of liability? That is what it is all about.

Companies get nervous. You get a water system that has some MTBE in it, which is not a cancer-causing substance, it is not a disease-causing substance, according to every report I have seen. If enough of the substance gets into the water, it will have a bad taste and unpleasant smell, and it is bad—we don't want it in our water system—but it has not proven to be any kind of significant health hazard, to my understanding——

Mr. GREGG. Will the Senator yield at that point?

Mr. SESSIONS. Yes.

Mr. GREGG. Has the Senator been in a home that has MTBE pollution?

Mr. SESSIONS. No, I have not.

Mr. GREGG. I suggest the Senator—Mr. President, I ask the Senator a question—I suggest the Senator might want to go to a home with MTBE pollution before the Senator makes the representation the home is livable.

Mr. SESSIONS. I didn't say the home. I understand the water smells. Is the Senator aware of any report that says MTBE is a cancer-causing substance?

Mr. GREGG. I didn't suggest that MTBE was cancer causing. The Senator suggested it is not a health hazard. I ask the Senator, if a person cannot live in their home, is that not a health hazard? If a person cannot take a shower, is that not a health hazard? If a person cannot drink the water, is that not a health hazard?

Is that the Senator's position, that if you cannot live in your home, if you cannot shower, if you cannot drink the water you, therefore, do not have a health hazard? Is that the Senator's position?

Mr. SESSIONS. The Senator's position is this—if someone polluted your water so you can't drink it, and did so to the required degree of negligence and liability, they are responsible for it and should pay.

The question is, What if you didn't do anything that justifies a lawsuit? What if you had no connection whatsoever? You made MTBE and somebody takes it and pollutes your house with it. Who is responsible? I can tell you what the law has been historically in America.

Mr. GREGG. Will the Senator yield for a further question?

Mr. SESSIONS. The person who caused the action, made the house uninhabitable, that is who should pay; not the person who made the substance.

Mr. GREGG. Will the Senator yield for a further question?

Mr. SESSIONS. Yes.

Mr. GREGG. Is it the Senator's position that if a person cannot use their house, cannot use the water, cannot take a shower, that person should be barred from suing the potential people who are responsible for that and that a State that has brought an action on that issue should have a law passed by the Congress which says that action brought by that State will no longer be in existence?

Mr. SESSIONS. Two questions there. One is the existing lawsuit question. The Senator makes a legitimate point and expresses a legitimate concern. Frankly, I am not sure it is fully meritorious, but he certainly raises a legitimate concern.

The second point is, Who should be responsible? That is the question. That is all, as I understand it, this legislation deals with.

If this legislation were to say that the person who is responsible for putting the MTBE in a New Hampshire citizen's home was not liable, I would oppose it. But if they took asphalt and dumped it in somebody's home, should the asphalt maker be liable if they were not responsible for putting it in that home? That is the legal question with which we are dealing.

Mr. GREGG. Will the Senator yield further?

Mr. SESSIONS. I yield.

Mr. GREGG. Is it, therefore, the Senator's position that the determination of whether or not the person who polluted the water in that home which is no longer livable, can't take a shower and can't drink the water, that the person who seeks redress on that should have the Congress unilaterally decide that a product which appears to have a fairly significant proximity to the problem should no longer be subject to liability simply because the product has been designed in a certain way, and that it should be the Congress—many Members of Congress never having even been in that home or a home of a similar nature—that should eliminate the capacity of that individual to have redress in a lawsuit? Would it not be a court's decision or jury's decision to make the determination if the product was produced without defect, that product should not be liable rather than the Congress unilaterally deciding that product should not be liable?

Mr. SESSIONS. I thank the Senator for the question. I think it is a good one. I just hosted and chaired a hearing on the question of restaurants that sell food that might cause obesity. The question is, Is a restaurant that makes a good cake responsible for somebody's obesity? They made the product that perhaps made the person overweight and obese, but they are not responsible for it. Should Congress act?

I think it is perfectly appropriate and fair that the Congress set the rules for litigation in America. We established when the statute of limitations runs. We established a lot of rules. In fact, we established basically that MTBE should be used. It was a congressional action that required this to be done before I arrived in the Senate.

I don't know how the Senator from New Hampshire voted on that legislation. It was a good Government environment bill at the time. Senator DASCHLE, I believe, was the prime sponsor of it.

The question is this, Companies make a substance. Somebody else spills it in the environment. Now we are going to have the person who made it, because maybe they have good insurance, pay for cleaning up any place in America that this stuff was spilled? I don't think so. Of course, we have in this bill liability protection for ethanol, and the House stuck in the liability protection for MTBE. It really was not considered in the Senate, I admit, but I think it is appropriate we follow through with it. At least I believe there is a strong justification for it. I don't believe this bill should be blocked on that basis.

Mr. TALENT. Will the Senator yield for a brief question?

Mr. SESSIONS. I will be delighted to yield.

Mr. TALENT. I wonder if the Senator's position isn't similar to mine, on the point the Senator from New Hampshire raised, that we at least should not refuse to vote on a bill that could mean millions of jobs for everybody in the country in all sections of the country because of one provision in the bill which could perhaps be fixed or compromised in some other legislation. I wonder if that isn't the Senator's position.

Mr. SESSIONS. I think that is a very good point. I know a number of Senators who favor this bill said they would be open to consider reforming it on a short basis if there was any abuse. Any language of this kind deserves to be carefully examined. I understand New Hampshire has filed a lawsuit that might be prohibited by this legislation, so I can understand the Senator from New Hampshire being concerned about that.

From what I understand, if the fundamental principle in the legislation appears to be sound, I can be supportive of it. If, in its application, it is unfair and unjust, I would be prepared to support reform.

Mr. TALENT. I thank the Senator for yielding for a question.

Mr. SESSIONS. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from Missouri.

Mr. TALENT. Mr. President, it is a real pleasure for me to come down and speak on behalf of the Energy Policy

Act. I want to begin by congratulating those involved in the conference committee who reached an agreement upon it.

I saw my friend, the senior Senator from Iowa. He certainly did yeomen's work on behalf of a provision that is very important to us in Missouri: The renewable fuel standard, as well as the biodiesel tax credit. I am going to begin my brief remarks and end them by commenting on those provisions. They stand to create hundreds of thousands of jobs in the short term around the country and in the long term have the potential not just to revolutionize family production by bringing in a whole new wave of value-added enterprise but also help create energy independence for this country.

As we have said on this floor on many occasions, when we are able to grow our own fuel, by growing corn, by growing soybeans, and turning them into fuel that we can burn in our cars, it just revolutionizes international relations in the world and also helps the environment and protects the economy as well. This bill is a major step in that direction. For that reason alone, I think it deserves to be voted on and passed.

There are provisions in this bill, as the Senator from North Dakota said before in his very eloquent remarks, that all of us would pick out or change if we could. But this is one Energy bill that this Congress has had to write for a very diverse country. I would suggest, when we are trying to come out of a recession, when we are trying to create jobs, when we are trying to achieve energy independence for this country, now is the time for statesmanship, not obstruction. Now is the time for compromise rather than confrontation over discrete points of a very big bill. Now is the time to move forward with all the good parts of this bill that we know are going to create jobs, that we know are going to help create energy independence, that we know are going to be good for the environment, with a view toward getting together afterward and helping to fix or reform the parts of the bill about which we may have some doubts. I hope we can do that. I hope we can get a vote on this bill.

I hope in particular that we will not see that weapon, the filibuster, hauled out to stop us from even expressing an opinion on the first national energy policy that this Congress has ever really passed.

We have heard much discussion in the last week or two about the importance of jobs. I very much believe in that. We cannot do anything we want to do in this country, we cannot do education, we cannot have health care, we cannot have defense, we cannot have opportunity without prosperity, and we cannot have that without jobs. This bill flat creates jobs. It will protect hundreds of thousands of jobs against being lost. It will create nearly a million. The natural gas and coal provisions, which are not those over which Missouri has a parochial interest but which I strongly support, would create more than 400,000 direct and indirect new jobs just through the construction of the Alaska natural gas pipeline, which will at the same time bring affordable energy to the lower 48 States, 38,000 direct jobs, 80,000 indirect jobs, an estimated 400,000 jobs from the multiplier effect. The investment the bill provides for in clean coal technology creates 62,000 jobs; 40,000 construction jobs created by the construction of approximately 27 large new clean coal plants.

When we use this clean coal technology and we make coal environmentally safe, we secure America's energy future because we have hundreds of years of reserves of coal. There is no reason not to move forward so as to create the possibility of reliance upon that even more greatly in the future, if necessary.

The renewable fuel standard I will discuss in a few minutes. Nuclear energy, building a first of its kind nuclear reactor to co-generate hydrogen will create 3,000 construction jobs and 500 long-term high-paying, high-tech jobs. I toured the nuclear energy plant in Missouri in Callaway County just a few weeks ago. It is the wave of the future. We can have more nuclear energy plants like that securing energy for our people around this country. This bill is a key to achieving that.

Some examples of job losses that the Energy Policy Act will prevent in the future, these are job losses we have had in the past: The Potash Corporation, one of the world's largest producers of fertilizer products located in Northbrook, IL, and Canada, that spends $2 million per day on natural gas, has announced layoffs at its Louisiana and Tennessee plants.

Economists predict that Louisiana's chemical industry will lose more than 2,000 jobs in the next 2 years. I have had people come and visit me from the chemical industry saying they are being forced to push jobs offshore because of the high cost of energy. I have had manufacturers in Missouri tell me that the high cost of energy and the unpredictability of the cost of energy is driving jobs offshore. It does not have to be that way. We can have an energy policy that encourages all different kinds of energy—the traditional forms, the alternative forms. This bill does that.

No, the bill is not really liked too much, if I may so, by those on the extreme ends of either part of the political spectrum. There are some who do not want the Government involved at all, even in stimulating the production of supply of energy. There are others who for other reasons on the other side of the spectrum do not want the private market to be stimulated for the production of energy. But Americans are out there, Missourians are out there, worrying about the loss of their jobs, worrying about what opportunities are going to be available in the future. Access to affordable, stable supplies of energy of all kinds is a key to this country's prosperity and independence, and that is what it comes down to.

Those of us on the Energy Committee, on both sides of the aisle in the Senate, have had that target in view from the minute that we began writing this bill. The Senator from Tennessee is certainly well aware of that because of the major part that he played in it.

I close by talking about the special importance of the renewable fuels section of this bill. Everybody back home is so pleased that we have recognized in this Congress, by an overwhelming margin, the importance of ethanol and biodiesel to this Nation's energy supply. The bill will increase ethanol production and the use of ethanol throughout our national economy to 5 billion gallons by the year 2012. It will create 214,000 jobs, $5.3 billion in new investment in renewable fuels production facilities. The biodiesel tax credit of a dollar is groundbreaking for the production of biodiesel in this country. With this tax credit, we can expect biodiesel, in just a few years, to be in the same situation that ethanol is now, and a few years after that the situation that ethanol will be in in the future, one of the mainstays of energy production. These are a key to value-added enterprises as well.

I will never forget on a day I was traveling around central Missouri and I talked to some corn farmers and they were talking about commodity prices. They were pretty depressed, and there has been a lot of reason to be depressed about prices of corn in the last 2 years. They did not really see a lot of hope. These were great producers, efficient producers, but they knew even if prices creeped up, one change in the international situation might push them down again. Then I went to the ethanol plant in Macon, the same kind of producers, but these were investors in the ethanol plant. One of them pulled me aside. There was an air of optimism there, an air of energy. One of them pulled me aside and said: Jim, the good thing about this is when the price of corn goes down, I just make more money off the ethanol. That is what value-added enterprises mean to family production in this country.

If we lose family farmers, if we lose the family production sector in this country, we lose something that we cannot recover, the values that go with an attachment to and a belief in the land. Value-added enterprises, of which the chief is renewable fuel, is the future for family producers. It is the future for energy independence in the country as well.

We are proud in Missouri, as I know the Presiding Officer is proud in Minnesota, of the leadership role we have played in the production of ethanol. We expect to have a leadership role, we do, and expect our leadership role to grow in the production of biodiesel. That is what this bill provides for.

I close by saying that although there are many parts of the bill that are going to help Missouri, there is no question about that, and I am enthusiastic about it, I am pleased to have participated in writing a lot of the bill, and pleased to vote for it, there are many parts of it I like. This renewable fuels section is really important to Missouri. Agriculture and tourism are the two biggest parts of Missouri's economy.

This bill is a joint effort. I think it is idle for any section of the country or any group of Senators who want a particular kind of energy to believe that they can get what they want for their section of the country, or that they can get what they want for the kind of energy supplies that they favor apart from a bill like this that helps everybody pull together. We cannot unravel this thing and pass a bunch of different bills. It is not going to happen. We are one country. We have to rely on many different sources of energy, but it has to be one policy. We have to have it all in one policy. It is not going to be perfect, but it is going to make a difference for the future. To the extent that it is not perfect, we can work on it.

I would so much rather have a view of legislation that says, look, we would rather go ahead knowing that we will take what is good and we can work on the things that we are concerned about than stopping everything because we cannot achieve that perfection given the state of human nature and the realistic possibilities in which we have to operate.

I am going to be pleased to support this bill. I urge Senators who have greater doubts than I do, or maybe who have themselves dug in on one issue or another, to try to work out an arrangement with the bipartisan group of Senators who have pushed this bill for so long. I know the Senator from New Mexico is ready to talk. The leadership is ready to talk. I am hopeful we will see the leaders on both sides of the aisle supporting this bill.

Now, as I said before, is the time for us to pull together and send a clear signal to this country that we can and will pass a comprehensive national energy policy that will create a stable and affordable supply of energy for years to come and allow our entrepreneurs, our manufacturers, our farmers, our small business people, to move ahead with the predictability that a stable energy supply gives them.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. CANTWELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNEMPLOYMENT INSURANCE EXTENSION

Ms. CANTWELL. Mr. President, I know we are still under consideration of the Energy conference report and many Members have been to the floor talking about the prescription drug conference report as well.

Before we adjourn, whatever date that is, sometime in the very near future, hopefully before the Thanksgiving holiday, it is imperative that this body take a stance and pass the unemployment benefit extension before we go home.

We are in the same position we were in virtually a year ago. What has changed? The economy might have gotten slightly better but not really much better. We have a .4 percent improvement in the unemployment rate. We in Washington State are still just above 7 percent in unemployment.

The reason we do the unemployment benefit extension program at the Federal level is to help States, which includes those that have been hardest hit by unemployment, get some extra weeks of unemployment benefits. It has been a successful program in the times of downturns of our economy. During the first Bush and Clinton administrations, when our economy was not doing so well, we basically extended Federal unemployment benefits for a total of 30 months. At that time, the benefits were at the Federal level, 20 additional weeks.

We are at this point in time now where we have extended the Federal program in this recession for about 22 months. Yet while we have seen a slight economic improvement, as I said, .4 percent, I believe it is not enough to continue the improvements we would like to see in our economy.

In an economic downturn, make no mistake about it, working Americans would rather have a paycheck than an unemployment check. But giving people an unemployment check in times of tough economic situations helps our economy overall. Every $1 spent on unemployment benefits generates $2.15 of stimulus. That is mortgage payments paid, health care bills that are met, a continuation of the economy at the most stable level we can have when we are not seeing job increases.

It is vitally important, before we adjourn—we have spent all this time debating judges and there was a good debate on both sides—we get back to some of the basic issues that need to be accomplished before we adjourn. Certainly unemployment benefits, I believe, should be that priority.

What is going to happen in December if we adjourn sometime next week—this program expires at the end of December. What is likely, if that happens, is we will see 90,000 people at the national level fall off this benefit program and as many as 2 million people in the first several months of the year could be without unemployment benefits.

Like many of my colleagues, I hope the economy improves. But I don't think we are seeing an indication it will improve that rapidly that soon. To leave these people without benefits at a time when we could be stimulating the economy is irresponsible.

For Washington State, the numbers are similar. We have about 200,000 people in Washington State who will exhaust their benefits in the first 6 months of 2004. I would rather those people be receiving some benefits and having the certainty of receiving those benefits now, even if it is a shorter extension period.

The challenge we ran into last December as we bantered back and forth—and, actually, the Senate did the right thing in the eleventh hour by passing the unemployment benefit extension; the House decided not to act on it. What happened was we left many Americans without certainty of the unemployment benefits.

Some of my colleagues believe nothing happened, that when we got back in January we reconstituted that program and people did not lose a thing. That is not true. I know constituents who made alternative plans, not knowing whether Congress had the intention of extending the unemployment benefit program. There was not the certainty. I had constituents who took money out of pension programs with 30 percent penalties, basically trading off their long-term investment for short-term return because they did not think we were going to extend benefits.

We ought to give working Americans some certainty that as this economy continues to struggle, we are going to be there with unemployment benefits.

My colleague from Nevada has cited several times that many Members of Congress voted to terminate this program. In the 1990s, after we had the 30 months of an extension of employment benefits by both the Bush and Clinton administrations, and after we had a 1.2 percent improvement in the unemployment rate, yes, we curtailed that program. However, we are doing less now, less under more severe economic conditions, than the first President Bush and President Clinton did during that time period. They went for 30 months. They had a Federal program that was 20 weeks instead of the 13 we have now, and they only curtailed the program once they saw a better return to the economy.

I encourage my colleagues to put this bill on the priority list for the next several days. Let's figure out a way to give unemployed Americans some certainty as they face the holiday season. Let's give those millions of people who are going to be impacted by not having this Federal program continued some relief and know we will be also holding up our economy. Let's not say to people that this Congress went ahead and passed tax cuts for the wealthiest of Americans, did a variety of things that may have been targeted tax credits, but failed to extend to hard-working Americans the unemployment benefit program into which they have paid.

UNANIMOUS CONSENT REQUEST

I ask unanimous consent that the Senate proceed to legislative session

and the Finance Committee be discharged from further consideration of S. 1853, a bill to extend unemployment insurance; that the Senate proceed to its immediate consideration; the bill be read the third time and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. On behalf of the majority leader, in my capacity as a Senator from Minnesota, I object.

Ms. CANTWELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CLOTURE MOTION

Mr. FRIST. Mr. President, we have had a full day of debate on this very important conference report. We have had a number of Senators come to the floor in support of the bill and others who have used this as an opportunity to highlight their opposition to one aspect of the bill or another. The bill finally establishes a comprehensive energy policy, and I do urge my colleagues to look at the bill not just piece by piece but in its entirety. Chairman DOMENICI had to negotiate a whole range of tough issues to put together a bill that requires a very fragile balance, as people even more fully understand this and come to the floor to address different aspects of the bill.

I understand there are some Members who want to preserve their rights on this legislation and who don't want to allow a time limitation. But given the importance of the legislation, at this juncture I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate to the conference report H.R. 6, the energy policy bill to enhance energy conservation and research and development, to provide for security and diversity in the energy supply for the American people, and for other purposes.

Bill Frist, Pete Domenici, John Cornyn, Mike Crapo, Larry Craig, Ben Nighthorse Campbell, Michael B. Enzi, Mike DeWine, Christopher Bond, Robert F. Bennett, Trent Lott, Pat Roberts, Jim Bunning, Mitch McConnell, Richard G. Lugar, Norm Coleman, Conrad Burns.

Mr. FRIST. Mr. President, this cloture vote will occur on Friday of this week unless changed by unanimous consent. I hope that cloture is invoked and that the Senate can then act expeditiously to vote adoption of the conference report. Until that time, Members will be allowed to come to the floor to express themselves with regard to this legislation. We encourage them to do so.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

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

IN MEMORY OF RUTH BURNETT, MAYOR OF FAIRBANKS AND BELOVED STAFF MEMBER

Mr. STEVENS. Mr. President, my heart became heavy with sadness as I learned this weekend of the death of my close personal friend Ruth Burnett.

Ruth Burnett was not only a person who gave me great support as the manager of my Fairbanks office, she, her husband Wally Burnett, Sr. and I became friends 50 years ago after my family and I moved to Fairbanks. As the years went by, we kept in touch and from the days of my earliest Senate campaign Ruth and Wally supported me.

Ruth's time as mayor of Fairbanks brought us even closer together and I was delighted when Ruth agreed to be my representative in Fairbanks. She worked tirelessly, without regard to office hours. And she was responsible for bringing to our attention the plight of thousands of interior Alaskans so that my staff and I in Washington, DC could try to help them. She gave me many ideas on where to send Federal money in the interior so that we could do the most good for the most people.

Ruth's whole family pitched in to support her. Wally Burnett, Jr. was a leading member of my Washington, DC staff and the Senate Appropriations staff. Public service has been a hallmark of the Burnett family—a family with a great Alaskan tradition.

Ruth will be dearly missed, but her spirit will live on through the great family she leaves behind and through the many lives she touched.

HONORING OUR ARMED FORCES

Mr. KENNEDY. Mr. President, in these difficult days when the brave men and women of our Armed Forces face such great dangers in Iraq, we continue to mourn the losses of our heroes who gave their lives in past wars. One of those heroes is Major Richard W. Cooper, Jr., of Holyoke, MA, and his loss is very much in our minds now. Major Cooper was a navigator aboard a B–52 bomber from Westover Air Force Base. He was on one of the final bombing runs in the Vietnam War in 1972, and his plane went down on December 19 of that year. He has been listed as Missing in Action ever since. The Air Force never gave up the search and recently, his remains were discovered and identified through the Joint Task Force Full Accounting operation in Vietnam. Next month, on December 19, at long last, 31 years to the day after his final mission for our country, Major Cooper will be laid to rest with full military honors in Arlington National Cemetery.

Major Cooper earned many decorations for his loyal service to our country, including the Distinguished Flying Cross, and we honor his great courage. Our Nation has often called its sons and daughters into harm's way, and their families bear the scars of battle forever. America owes an enormous debt of gratitude to Major Cooper and his family, and our thoughts and prayers are very much with them now. Massachusetts is proud of him and so is our country.

Mr. WARNER. Mr. President, I seek recognition to honor a Virginia Soldier, CWO Sharon T. Swartworth, who was tragically killed in action in Iraq on Friday, November 7, 2003. I want to express gratitude, on behalf of the Senate, for her service to our Nation. The American people, I am certain, join me in expressing their prayers and compassion to her family.

CWO Sharon T. Swartworth entered the Army shortly before her eighteenth birthday, her father signing the papers allowing her to enlist early. ''She traveled around the world before she was assigned to the Pentagon.'' She understood the importance of her present assignment and despite the personal risk, wanted to serve the United States and the people of Iraq during this critical time.

A warrant officer of the Judge Advocate General's Corps, she served as the primary adviser to the judge advocate general on all matters concerning legal administrators in the Army. She was temporarily in Iraq to process awards for deserving soldiers and to ensure the legal needs of soldiers were being met.

CWO Sharon T. Swartworth leaves behind: her son, William III; her husband, William, a captain of the Naval Medical Corps; and her father, Bernard Mayo.

I, among many friends and colleagues, attended the ceremony at Arlington Cemetery. Her family, who has borne this tragedy with dignity, are brave souls who have sacrificed so much for this Nation. We owe them and the other families who have lost their loved ones a debt of gratitude.

She was an exceptional woman with a bright future and family in front of her. Her father related, ''She did it all, and we can be proud of her. She was a soldier.'' I can not craft a finer eulogy. The Commonwealth of Virginia and the entire Nation shall mourn her loss.

Mr. JEFFORDS. Mr. President, I was deeply saddened to learn yesterday of the death in Iraq of another of Vermont's sons. LT Pierre Piche of Starksboro, VT was one of 17 brave young soldiers who died in the crash of two Blackhawk helicopters last Saturday. This brings to five the number of

Vermonters who have given their lives in Iraq.

The newspaper articles reporting on the death of Lieutenant Piche, and also on the Nov. 7 death of SSG Scott Rose, a young man whose wife and parents in-law are from Springfield, VT, bring home the heart-wrenching pain felt by those who have lost a son or daughter, mother or father, sister or brother, or close friend in this war.

Lieutenant Piche was Lisa Johnson's only child. Ms. Johnson speaks of the daily anxiety she faced hearing the reports of dead and wounded and wondering if it was her son. At first, she turned for consolation to her father, a World War II veteran. Tragically, he died in July. Hearing reports of the helicopter crash last Saturday, she spent the rest of the weekend with her stomach in knots until she received a phone call from her daughter in-law, Cherish, with the simple, chilling words ''They're here.''

Army officers had come to Lieutenant Piche's home to tell his wife that the lieutenant was dead. An hour later, officers arrived at Ms. Johnson's home to deliver the same message.

Staff Sergeant Rose became a father for the first time on July 31. He never saw his child, though. He already had left for Iraq and was unable to get home on leave before the tragic crash that ended his life. His wife Michele Rose is now left to raise their infant daughter in his absence.

I have been concerned throughout this conflict, and most particularly during the recent debate on the President's request for an additional $87 billion, that our focus on the financial costs and broader strategic and tactical questions associated with the war has blinded us somewhat to the brutal anguish faced by those who have lost a loved one in Iraq. We must never forget that each and every casualty suffered in Iraq delivers a crushing blow to many here at home. Moreover, we must have sympathy for the terrible anxiety faced daily by the families of men and women serving in Iraq. This war has many victims and we must not lose sight of their pain.

I ask unanimous consent to print in the RECORD the two newspaper articles detailing this war's effects on the lives of these two Vermont families.

There being objection, the material was ordered to be printed in the RECORD, as follows:

[From the Burlington Free Press, Nov. 18, 2003]

FIFTH VERMONT SOLDIER DIES IN IRAQ

(By Brent Hallenbeck)

STARKSBORO.—Pierre Piche last spoke to his mother a few weeks ago by phone from Iraq. He told her he wanted to come home to his wife of 3 years and earn his master's degree so he could become a teacher.

His mother had recently sent him a rubber koi fish, and he said he planned to have a pond filled with the tranquil Japanese fish. ''He tried not to focus on how dangerous it was getting over there. He just wanted peace,'' his mother, Lisa Johnson, said Monday afternoon at her home in Starksboro. ''He was determined to do what he needed to do to keep his men safe and get home.''

Piche, 28 and 16 of his fellow soldiers died Saturday when their Black Hawk helicopters crashed, possibly as a result of enemy fire, in Mosul, Iraq. The crash is the single deadliest incident since the war began in Iraq 8 months ago.

Piche, a first lieutenant with the Army's 101st Airborne Division, is the fifth soldier with Vermont roots to die in the war. He is the only child of Lisa Johnson, who has wanted to pull Piche back into her arms ever since he was deployed to Iraq a month before the war began.

''I wanted to take him home. When your child goes into something dangerous, a mother goes and gets him,'' Johnson said, fighting tears. ''It's been a pretty hellish time since February.''

Piche grew up in Colchester, where he attended Malletts Bay School. His mother remembers that Piche was a complex child who would ask heavy questions about the origins of the universe or the workings of the human body and expect, almost demand, an answer.

''When he was born I called him my Mr. Magoo because he was this very serious little boy,'' she said, pointing to a photograph of her and her 2-year-old son sitting in the woods. The child was wearing an expression that was intense but wise. ''He was like a little old man right away,'' she said.

He was also ''full of all the right kind of mischief,'' according to Hugh Johnson, who became his stepfather when Piche was 6. He remembers once that his stepson tried unsuccessfully to ride his bike up a boat ramp on dry land. ''Suddenly there was a great tumbling of boy and steel,'' Hugh Johnson said.

The family moved when Piche was 9 to South Hero, where he attended Folsom School. Lisa Johnson said he demonstrated his kindly nature by taking in all sorts of animals, from dogs and cats to iguanas, chickens and geese.

The family moved to Starksboro when Piche was 14. He went to private school in Connecticut, then college, including for a time the University of Vermont. He graduated from Middle Tennessee State in 1998 after majoring in political science.

Piche was always patriotic and believed in serving his country, his mother said. While in college he joined the Army Reserve and soon after entered the Army full-time, rising through the ranks of the 101st Airborne at Fort Campbell, KY, where he and his wife, Cherish, made their home.

Pierre Piche made his final visit to Vermont last Christmas. Friends and family came to Starksboro for festive holiday parties. He took Cherish Piche, who has lived in the South most of her life, out for snowmobile rides and sledding expeditions.

War in Iraq was looming last December, and Piche and his mother knew he was likely to be deployed. ''I deliberately avoided that subject,'' Lisa Johnson said. ''He didn't want to talk about it either. We knew, and there wasn't any point.''

She held out hope he would be safe. Months earlier, he had switched jobs, from a command post to maintenance duties that would perhaps be less risky. ''The idea was he wouldn't be out there on the front line,'' Hugh Johnson said.

Piche arrived in Iraq 9 months ago, and the Johnsons followed the news intently from Starksboro. Whenever Lisa Johnson heard a soldier died anywhere near where she believed her son was she would cry, and immediately struggle to gather her senses—as a social worker, she said it was essential to be composed.

Her father, Robert Fusco of Jonesville, would console her. A World War II veteran, Fusco would tell her Piche was well-trained, smart and vigilant, and would make sure he and his soldiers would come home. ''Anytime I got scared my father would tell me to toughen up,'' Lisa Johnson said. Fusco died of heart failure July 8, proud to the end of his grandson's accomplishments.

Piche e-mailed his mother often, and recently sent photos showing him in his cropped brown hair and brown camouflage while holding an automatic weapon.

Another photo showed him in uniform holding a dog. Lisa Johnson said he frequently discovered abandoned pets in Iraq and tried to find good homes for them. ''Even in the middle of chaos he could find good things,'' she said. ''That's what good guys do.''

Piche's unit was being moved from one location to another Saturday, a move he was dreading. He told his mother that Iraq was becoming a more dangerous place—more aggressive, less predictable.

She heard Saturday about the two helicopters crashing in Mosul. ''I spent the rest of the weekend in knots,'' she said. She and Cherish Piche spoke by phone all day Saturday, telling each other that they hoped by some fluke Piche was not on either of those helicopters, and just couldn't get to a computer to e-mail either of them to say he was safe. Then Cherish Piche called Sunday afternoon. Her words were simple: ''They're here.'' Army soldiers had come to her home at Fort Campbell to say that her husband was dead.

An hour later, at 5 p.m., two soldiers came to the gray Cape Cod on Big Hollow Road to give Lisa and Hugh Johnson the same news. ''I just said, 'No, no, no,' and I went outside and I was crazy,'' Lisa Johnson said. She wandered through the miles of woods behind her home. ''I just cried and screamed—'No, it can't be, it just can't be.' ''

Hugh Johnson said he knows that if he could, his stepson would have been trying to save his fellow soldiers until the last minute. Pride doesn't translate to solace, not when parents are mourning the loss of a son who was always giving to others. ''It's such a waste,'' Hugh Johnson said. ''He should have had another 60 years of doing that.'' ''I'm proud of him and I'm proud of him no matter what,'' Lisa Johnson said. ''That doesn't make his dying any easier.''

The Johnsons and Piche's widow are making funeral arrangements while awaiting for his body to return home. Lisa Johnson said they hope to bury him near his grandfather, Fusco, at Holy Rosary Cemetery in Richmond.

Meanwhile, the family is welcoming a constant flow of visitors bearing generous amounts of food and any words of consolation they can muster. The food and the words are appreciated, Lisa Johnson said, but not important. ''All that matters,'' she said, ''is that they loved him.''

[From the Rutland Herald, Nov. 18, 2003]

SOLDIER KILLED IN IRAQ WILL BE EULOGIZED IN SPRINGFIELD

(By Susan Smallheer)

SPRINGFIELD.—An Army soldier who died in Iraq without ever holding his newborn daughter will be eulogized with full military honors Saturday in Springfield. Staff Sgt. Scott C. Rose, 30, whose wife, Michele, is from Springfield, will receive full military honors and a special farewell Saturday at St. Mary's Catholic Church, according to Rose's father, Alfred Rose of Fayetteville, N.C.

Rose was one of six soldiers who died on Nov. 7 near Tikrit when their Black Hawk helicopter came under attack, exploded and fell to the ground. He had been in Iraq since April. Rose was the crew chief.

Alfred Rose said his son and his wife met at North Carolina State University and married, living at Fort Campbell, Ky., the base of the 101st Airborne Division. Michele (Basso) Rose gave birth to their daughter Meghan Louise at Fort Campbell on July 31, and the baby never met her father, the elder Rose said.

Rose said that he was able to hook up a Web camera so his son could watch the baby over the Internet from Iraq, but that he died before he was able to get leave and come home to visit his new daughter. She is the couple's only child.

Rose said his son died with three of his fellow crew members, all of whom were very close friends. According to news reports, the Black Hawk was transporting two officials from the Army's Judge Advocate General corps from the Pentagon when the helicopter was hit.

Alfred Rose, himself a retired lieutenant colonel from the 82nd Airborne Division, said his son's mission on Nov. 7 was to transport ''command and control'' personnel from Mosul to Tikrit. His son was the crew chief.

He said his son was born in Attleboro, Mass., but grew up in North Carolina, attending high school in Fayetteville. He was captain of the wrestling team and also played soccer, was also involved in drama and debate. He graduated second in his class and attended North Carolina State on a full Navy scholarship.

But he switched to the Army even after receiving orders to the Navy's prestigious flight school in Pensacola, Fla., his father said, to combine his love of flying and his wish to be a family man. Navy flight training involves six month stints on aircraft carriers. ''However, the world situation turned sour and he was deployed nearly continuously from Bosnia to the NCO School in Virginia and immediately to Iraq. Scott badly wanted to join his unit, which was already over there,'' his father recalled.

His father called him ''the Tom Cruise of the Lancer flight line, he loved his work, he loved to teach others.'' ''He was one of those rare great men, soldier, leader, husband, father . . . our son,'' he said.

The elder Rose said his son's unit was not expected back from Iraq until February or March 2004. According to an article in the Fayetteville Observer, Rose had started flying when he was 14 years old. In college, he started studying aeronautical engineering, but switched to history.

His son called his helicopter ''Goat 26431.'' He named it so in honor of his grandfather's military aircraft, which was also nicknamed Goat. His grandfather also died on active duty.

The father said his son's helicopter came under fire the morning of Nov. 7. A second Black Hawk helicopter was following close behind and was not hit, but Rose said those in the second helicopter heard the impact of the weapon, saw flames erupt and his son's helicopter crash. At the time the helicopter was hit, they were about 280 feet above the ground and had slowed to make a landing in a designated area.

His son received a Bronze Star and a Purple Heart, as well as the Army Commendation medal. His wife's father and stepmother, Alfred and Paula Basso, live on Poppe Road in Springfield, according to William Young, director of the David Memorial Chapel, which is working closely with the military to plan Saturday's funeral. Details of the service are still being worked out, according to a spokesman at the funeral home.

Young said Rose would not be buried in Vermont as his remains were being cremated. The elder Rose said that a memorial account in his son's name has been set up to benefit his infant daughter at the Bryant Credit Union in Springfield.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On October 25, 2003, a Miami, FL, teen was charged with a hate crime after police say he harassed a 19-year-old woman driving with a gay pride sticker on her car.

The teen leaned out of his car window at a traffic light to make an obscene gesture toward the young woman and said to her, ''We hate faggots . . . we kill people like you.'' The truck pulled up to her again at the next light where he continued to make lewd comments and gestures. The teen cut in front of the woman and hit his brakes, causing the woman's car to swerve, according to police. Police say the driver then swerved his truck three times towards the woman's car, running her off the road.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

SBA ASSISTANCE FOLLOWING HURRICANE ISABEL

Mr. ALLEN. Mr. President, I wish to call to the attention of my colleagues the well-coordinated and rapid response of the good people from the United States Small Business Administration in the days and weeks that have followed the disaster caused by Hurricane Isabel.

Virginia is still recovering from this terrible natural disaster. In Virginia, initial assessments indicate that 1,062 homes were destroyed; over 8,800 homes sustained major damage; 1.8 million customers lost electricity of varying duration from a day to over a week; there were 28 deaths in the Commonwealth; crop losses are in the tens of millions; and total damages are in the billions to homes, businesses, transportation and other infrastructure facilities.

Our Commonwealth was devastated and the residents of Virginia, as they always do, have come together to help neighbors repair damages, to help families find housing and to console those who lost loved ones in their time of grief.

Soon after the storm cut across Virginia, and the economic impact began to be felt, I contacted Small Business Administration leaders, seeking to bring direct assistance to these affected businesses. On September 22, SBA representatives responded quickly. My colleague, JOHN WARNER, and I toured the significant damage to many flooded small businesses in Old Town Alexandria, VA.

The quick response, expertise and enthusiasm of the SBA leaders gave hope to small business owners who were upset at the great losses and burdened by damage to their infrastructure, uncertainty when to reopen, loss of inventory, very little capital and lost incomes. The people saw that there was help, that it was not just their own sweat, worry and furrowed brows, but that the SBA was there to assist them directly.

Herb Mitchell, associate administrator for the Office of Disaster Assistance at the SBA, Anthony Bedell, associate administrator for the Office of Congressional and Legislative Affairs, Sue Hensley, associate administrator for the Office of Communications and Public Liaison and their leader Melanie Sabelhaus, Deputy Administrator for the SBA walked with us while we viewed the damage first hand, talking with business owners who were able to ask specific questions and receive answers and solutions.

On the spot, Melanie Sabelhaus of the SBA also set up an onsite Business Disaster Recovery Center with the local Chamber of Commerce in Old Town Alexandria to help business owners who suffered loss. Our top priority was to get small businesses dried out, disinfected and back in business, and I am proud that this team effort has proceeded successfully. By getting our boots in the mud, we were able to get a direct, human response to promptly assist distressed small business owners, who are the backbone of the American economy.

Later the same week they answered my call and came with me again to southeastern Virginia, to places such as Burwell's Bay in Isle of Wight County, Suffolk and Wakefield in Sussex County. There we witnessed the terrible devastation. People there not only experienced great trauma, difficulty and loss, they were still without power, looking to the SBA for assistance, which was able to provide human, personal attention to help get them up and running again. Small businesses such as Cameron Chemical and the Marina Restaurant, whose owners we were able to talk with, which were forced to close their businesses indefinitely, and which together employ dozens of hard-working Virginians were given hands-on assistance by the SBA to reopen in a timely manner. Low interest loans, business disruption assistance from the SBA visibly cheered their faces with hope and gratitude. Traveling with me again was Melanie Sabelhaus, along with Anne Bradbury, assistant administrator for congressional affairs and Becky Brantley, assistant administrator for disaster assistance.

I commend the Small Business Administration's leadership, under the direction of Administrator Hector

Barreto, Jr., and the entire team at the SBA. They responded to each of my requests and demonstrated knowledge, experience and genuine care by helping small businesses get clean, dry, rebuilt and open again for customers and employees. Their enthusiastic outreach truly gave hope to many owners and employees. And, as a U.S. Senator, one can often try to get Federal agencies to help people. From my perspective, the Small Business Administration is demonstrably one of the very best lead teams in the Federal Government. On behalf of Virginians, I thank them for their special care. Many small entrepreneurs are open for business due to our efforts. It is a satisfying job well done.

VOTE EXPLANATION

Mr. KENNEDY. Mr. President, regarding the voice vote on the nomination of Major General Robert T. Clark, U.S. Army, yesterday in the U.S. Senate, had such vote been a rollcall vote, I would have voted ''nay.''

ADDITIONAL STATEMENTS

TRIBUTE TO DELEGATE HOWARD ''PETE'' RAWLINGS

• Ms. MIKULSKI. Mr. President, I rise to pay tribute to the life and legacy of Delegate Pete Rawlings. He was a big man with a big heart—who leaves an indelible mark on the people of Maryland.

The Baltimore Sun said Delegate Rawlings had ''the passion of a civil rights activist and the analytical mind of a mathematician combined with the savvy of a backroom pol.'' I think that captures him perfectly.

Delegate Rawlings used America's unique opportunity structure to build a life of accomplishment and of service. But more importantly, he expanded that opportunity structure for thousands of others. In over a quarter century in the House of Delegates, Pete Rawlings was known as a man of principle who put his principles into action.

Mathematician and politician, educator and leader, Pete Rawlings may be best remembered for his untiring advocacy to improve education for all. He was an unfailing advocate for education. He used his power and influence to provide an unprecedented State commitment to education, a $1.3 billion commitment that the State recognized it would be constitutionally bound to fulfill. Maryland's schools are better today because of Delegate Rawlings.

The passing of Delegate Rawlings is a tragedy, but his life was a triumph. His wife, Dr. Nina Cole, and his children, Wendall Rawlings, Lisa Rawlings, and Councilwoman Stephanie C. Rawlings Black are in my thoughts and prayers.

I ask that an editorial from the Baltimore Sun be printed in the CONGRESSIONAL RECORD.

The editorial follows:

[From the Baltimore Sun, Nov. 16, 2003]

PETE

He'd thunder and preach, he'd deplore and beseech, he'd count pennies and votes and usually come out on the money.

With the death Friday of Del. Howard P. ''Pete'' Rawlings, Maryland lost an extraordinarily gifted leader and one of the most accomplished politicians of his era—known for both a tight fist and a caring heart.

Mr. Rawlings' intellectual grasp of policy detail and instinct for mastering the levers of power propelled him to a top post in the General Assembly. His greatest contributions arose, however, from his willingness to take on the unpopular yet critical tasks of fiscal management.

He never forgot his West Baltimore constituents, yet he had the rare courage to sometimes tell them no.

Such was the force of his conviction that he managed not only to survive such battles but to prosper. His remarkable legacy includes a new generation of political leaders he mentored along the way.

As a freshman delegate, part of a tiny minority of black lawmakers, Mr. Rawlings claimed his seat on the House Appropriations Committee in 1979 and immediately started breaking the rules. He publicly questioned every spending item, including those dear to the hearts of his committee mates, wanting to know what good the money would do for ''his people.''

Colleagues rolled their eyes. Who was this guy? They were used to machine-backed black legislators who were reliable votes, and to the ''screamers'' who would grandstand in protest of the system but never get anything done. In Mr. Rawlings, they found the passion of a civil rights activist and the analytical mind of a mathematician combined with the savvy of a backroom pol.

He was quickly tagged as a ''comer,'' was named to a subcommittee chairmanship and by 1992 was awarded the gavel of Appropriations Committee chairman.

Running Appropriations in Annapolis isn't like in Congress, where the bounty flows seemingly without limit. In Maryland, the budget has to balance. Mr. Rawlings made it his business to try to ensure the taxpayers' money was being spent wisely.

He battled with Baltimore mayors and officials of Morgan State University. He authored reforms in education, housing and health care. He brought home the bacon as he saw fit.

The strongest testimony to his style may be his endorsement of Martin O'Malley in the 1999 mayoral race against black competitors, thus awarding the job of running a majority-black city to a white politician Mr. Rawlings thought better qualified.

Much of Mr. Rawlings' success stemmed from the sense that he was not interested in power for its own sake, but for what he could accomplish. That, and a deep bass voice that boomed with such moral authority it seemed to come from the heavens.

His passing robs Baltimore of its most effective and empathetic advocate. All of Maryland, though, is poorer for his loss.•

COMMENDING MAJOR FIRMAN RAY ON RECEIVING THE SILVER STAR MEDAL

• Mr. BAUCUS. Mr. President, it is my great pleasure and pride to rise today to honor a true Montana hero—MAJ Firman Ray. Major Ray grew up in Butte and Stevensville. He attended the University of Montana. To this day, he remains a staunch Grizzly fan. His mother Tempie Ray is a retired high school librarian in Stevensville. Firman is the nephew of Carl and Martha Davis from Dillon. At the Montana Constitutional Convention, I was Carl's intern. Furthermore, Firman's wife Sheila Hall Ray was my son's babysitter when we lived in Missoula. Firman and his family are 100 percent Montana.

MAJ Firman Ray has a distinguished career with the Army and he is only getting started. He has excelled in each of his positions since he was commissioned in 1991. Firman also survived the 9/11 attack on the Pentagon where his office was hit by the terrorists.

Today, we recognize MAJ Firman Ray to receive the Silver Star for distinguished gallantry in action against the enemy in Somalia in 1993. The Silver Star is the third highest medal awarded for combat service and the fourth highest medal that a soldier may receive. The Silver Star is awarded to a person who, while serving in any capacity with the U.S. Army, is cited for gallantry in action against an enemy of the United States while engaged in military operations involving conflict with an opposing foreign force, or while serving with friendly foreign forces engaged in conflict against an opposing armed force in which the United States is not a belligerent party.

For those reasons and so many more, I am honored to announce that today MAJ Firman Ray will finally receive the distinguished Silver Star award for his valorous performance of duty with the U.S. Army in Somalia that is long overdue.

Many of you may remember the movie, ''Black Hawk Down.'' MAJ Firman Ray, then Lieutenant Ray, was part of the team that the movie, Black Hawk Down, portrayed. It was during the predawn hours of September 25, 1993, that a U.S. Army UH–60 Blackhawk helicopter was shot down in Mogadishu, Somalia. Lieutenant Ray was part of AT Platoon that was given the mission to conduct a search and rescue operation at the helicopter crash site. Clearly understanding the urgency of the situation, Lieutenant Ray took his two lead MK–19 gun vehicles and instructed them to quickly advance to the crash site. Upon entering the site, intense small arms fire and sporadic rocket propelled grenade fire erupted. The gunners under Lieutenant Ray's command were able to destroy three enemy positions in a building just north of the crash site. While attempting to again secure the site, another firefight ensued on the west side. Lieutenant Ray dismounted and on the run, dodged under considerable fire to position the gun vehicles to establish security. Lieutenant Ray's unit was again under fire two more times where Firman moved the gun vehicles into strategic positions that were vital to

suppressing enemy fire. Once the perimeter was finally secured, Lieutenant Ray assisted in collecting the remains of the soldiers killed in the helicopter crash.

Shortly afterwards, the stillness was broken by yet another attack and a firefight resumed. During the next 30 minutes of battle and under fire, Lieutenant Ray ran to and from each gun vehicle's position, directing counter fire and ensuring adequate ammunition. The mission was complete and all personnel and sensitive equipment attempted to withdraw to the airfield. Lieutenant Ray directed his rear security gun vehicle to assume the lead and, again, enemy militia began firing with small arms and RPG's, inflicting casualties. With four blocks to go, Lieutenant Ray remained dismounted and slowly moved south, deftly crossing intersections proven treacherous by prior American casualties.

From the onset to outcome, Lieutenant Ray was first in and last out. He performed his duty with bravery and poise. He is a decisive leader who inspires fierce soldier loyalty, trust, and cohesiveness. Because of his quick and intelligent decisions, and due to his confident direction, Lieutenant Ray's platoon, under the most extreme battle conditions, provided the decisive ingredient to the success of the mission. Due to his combat performance, Firman Ray is deserving of the Silver Star for distinctive recognition as an exceptional soldier and leader of men.

I commend Major Ray for his heroic efforts in Operation Restoration Hope and I am proud that he receives the Silver Star today. He exemplifies valor, bravery, and courage. Major Ray put his life on the line to defend our country. He put his life on the line to save his men. For that, we all owe him a huge debt of gratitude.

We are proud to call MAJ Firman Ray a Montanan. And as Montanans and Americans, we are eternally grateful for his selfless service to our country, which has made our Nation a safer place and has helped to promote and defend democracy across the globe.

Firman, as you know, receiving a Silver Star Medal is quite an accomplishment. I can think of no one more deserving than you. From one Montanan to another, thank you for your commitment to your country, service to your community, and for making America safer for each and every one of us.●

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Finance.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:48 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 254. An act to revise the boundary of the Kaloko-Honokohau National Historical Park in the State of Hawaii, and for other purposes;

S. 867. An act to designate the facility of the United States Postal Service located at 710 Wick Lane in Billings, Montana, as the ''Ronald Reagan Post Office Building''; and

S. 1718. An act to designate the facility of the United States Postal Service located at 3710 West 73rd Terrace in Prairie Village, Kansas, as the ''Senator James B. Pearson Post Office''.

The message also announced that the House passed the following bills in which it requests the concurrence of the Senate:

H.R. 280. An act to establish certain National Heritage Areas, and for other purposes;

H.R. 1189. An act to increase the waiver requirement for certain local matching requirements for grants provided to American Samoa, Guam, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, and for other purposes;

H.R. 1204. An act to amend the National Wildlife Refuge System Administration Act of 1966 to establish requirements for the award of concessions in the National Wildlife Refuge System, to provide for maintenance and repair of properties located in the System by concessionaires authorized to use such properties, and for other purposes;

H.R. 1274. An act to direct the Administrator of General Services to convey to Fresno County, California, the existing Federal courthouse in that county;

H.R. 1651. An act to provide for the exchange of land within the Sierra National Forest, California, and for other purposes;

H.R. 1658. An act to amend the Railroad Right-of-Way Conveyance Validation Act to validate additional conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to facilitate the construction of the transcontinental railway, and for other purposes;

H.R. 2130. An act to redesignate the facility of the United States Postal Service located at 121 Kinderkamack Road in River Edge, New Jersey, as the ''New Bridge Landing Post Office'';

H.R. 2907. An act to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership;

H.R. 3287. An act to award congressional gold medals posthumously on behalf of Reverend Joseph A. DeLaine, Harry and Eliza Briggs, and Levi Pearson in recognition of their contributions to the Nation as pioneers in the effort to desegregate public schools that led directly to the landmark desegregation case of Brown et al. v. the Board of Education of Topeka et al; and

H.R. 3300. An act to designate the facility of the United States Postal Service located at 15500 Pearl Road in Strongsville, Ohio, as the ''Walter F. Ehrnfelt, Jr. Post Office Building.''

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res 69. Concurrent resolution expressing the sense of Congress that Althea Gibson should be recognized for her ground breaking achievements in athletics and her commitment to ending racial discrimination and prejudice within the world of sports; and

H. Con. Res. 313. Concurrent resolution to urge the President, on behalf of the United States, to present the Presidential Medal of Freedom to His Holiness, Pope John Paul II, in recognition of his significant, enduring, and historic contributions to the causes of freedom, human dignity, and peace and to commemorate the Silver Jubilee of His Holiness' inauguration of his ministry as Bishop of Rome and Supreme Pastor of the Catholic Church.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1066. An act to correct a technical error from Unit T–07 of the John H. Chafee Coastal Barrier Resources System;

S. 1590. An act to redesignate the facility of the United States Postal Service, located at 315 Empire Boulevard in Crown Heights, Brooklyn, New York, as the ''James E. Davis Post Office Building'';

S. J. Res. 18. Joint resolution commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years; and

S. J. Res. 22. Joint resolution recognizing Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research.

The enrolled bills and joint resolutions were signed subsequently by the President pro tempore (Mr. STEVENS).

At 4:52 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1824. An act to amend the Foreign Assistance Act of 1961 to reauthorize the Overseas Private Investment Corporation, and for other purposes.

The message also announced that the House passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1813. An act to amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic and foreign centers and programs for the treatment of victims of torture, and for other purposes.

ENROLLED BILL SIGNED

At 6:20 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 1588. An act to authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, for military construction, and for defense activities

of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

ENROLLED BILLS SIGNED

At 7:27 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 254. An act to revise the boundary of the Kaloko-Honokohau National Historical Park Addition Act of 2003.

S. 867. An act to designate the facility of the United States Postal Service located at 710 Wick Lane in Billings, Montana, as the ''Ronald Reagan Post Office Building''.

S. 1718. An act to designate the facility of the United States Postal Service located at 3710 West 73rd Terrace in Prairie Village, Kansas, as the ''Senator James B. Pearson Post Office''.

H.R. 23. An act to amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks.

H.R. 2744. An act to designate the facility of the United States Postal Service located at 514 17th Street in Moline, Illinois, as the ''David Bybee Post Office Building''.

H.R. 2754. An act making appropriations for energy and water development for the fiscal year ending September 30, 2004, and for other purposes.

H.R. 3175. An act to designate the facility of the United States Postal Service located at 2650 Cleveland Avenue NW in Canton, Ohio, as the ''Richard D. Watkins Post Office Building''.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 3210 East 10th Street in Bloomington, Indiana, as the ''Francis X. McCloskey Post Office Building''.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 280. An act to establish the National Aviation Heritage Area, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1189. An act to increase the waiver requirement for certain local matching requirements for grants provided to American Samoa, Guam, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1204. An act to amend the National Wildlife Refuge System Administration Act of 1966 to establish requirements for the award of concessions in the National Wildlife Refuge System, to provide for maintenance and repair of properties located in the System by concessionaires authorized to use such properties, and for other purposes; to the Committee on Environment and Public Works.

H.R. 1651. An act to provide for the exchange of land within the Sierra National Forest, California, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1658. An act to amend the Railroad Right-of-Way Conveyance Validation Act to validate additional conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to facilitate the construction of the transcontinental railway, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2130. An act to redesignate the facility of the United States Postal Service located at 650 Kinderkamack Road in River Edge, New Jersey, as the ''New Bridge Landing Post Office''; to the Committee on Governmental Affairs.

H.R. 3300. An act to designate the facility of the United States Postal Service located at 15500 Pearl Road in Strongsville, Ohio, as the ''Walter F. Ehrnfelt, Jr., Post Office Building''; to the Committee on Governmental Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 69. Concurrent resolution expressing the sense of Congress that Althea Gibson should be recognized for her ground breaking achievements in athletics and her commitment to ending racial discrimination and prejudice within the world of sports; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, November 19, 2003, she had presented to the President of the United States the following enrolled bills and joint resolutions:

S. 1066. An act to correct a technical error from Unit T–07 of the John H. Chafee Coastal Barrier Resources System;

S. 1590. An act to redesignate the facility of the United States Postal Service, located at 315 Empire Boulevard in Crown Heights, Brooklyn, New York, as the ''James E. Davis Post Office Building'';

S.J. Res. 18. Joint resolution commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years; and

S.J. Res. 22. Joint resolution recognizing the Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC5258. A communication from the Attorney, Aviation Enforcement and Proceedings, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Reporting Requirement for Disability-Related Complaints'' (RIN2105-AD04) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5259. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 757-200 Series Airplanes Docket No. 2001-NM-192'' (RIN2120-AA64) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5260. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747 Series Airplanes Powered by General Electric (GE) Series Engines Doc. No. 2001-NM-17'' (RIN2120-AA64) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5261. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls Royce Deutschland Ltd. & KG, Model Tay 62015 and 650-15 Turbofan Engines Doc. No. 2002-NE-37'' (RIN2120-AA64) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5262. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: CFM International CFM56-5B and 7B Series Turbofan Engines Doc. No. 2001-NE-37'' (RIN2120-AA64) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5263. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 727 Series Airplanes Doc. No. 202-NM-271'' (RIN2120-AA64) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5264. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace, Holyoke, Co Doc. No. 00-NM-32'' (RIN2120-AA66) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5265. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Class E Airspace, Dunkirk, NY Doc. No. 02-AEA-08'' (RIN2120-AA66) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5266. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Jet Route No. 02-AGL-16'' (RIN2120-AA66) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5267. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E5 Airspace; Augusta, GA Doc. No. 02-ASO-19'' (RIN2120-AA66) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5268. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments Doc. No. 30341'' (RIN2120-AA65) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5269. A communication from the Regulatory Officer, Federal Motor Carrier Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Limitations on the Issuance of Commercial Driver's Licenses With a Hazardous Materials Endorsement; Delay of Compliance Date'' (RIN2126-AA70) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5270. A communication from the Secretary of the Commission, Bureau of Consumer Protection, Federal Trade Commission, transmitting, pursuant to law, the report of a rule entitled ''16 CFR 305—'Appliance Labeling Rule' [Clothes Washer Ranges—2003]'' (RIN3084-AA74) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5271. A communication from the Chief Counsel, Saint Lawrence Seaway Development Corporation, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Seaway Regulations and Rules: Inflation Adjustment of Civil Monetary Penalty'' (RIN2135-AA16) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation .

EC–5272. A communication from the Attorney-Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''FMVSS No. 208, Response to Petitions for Reconsideration of the December 2001 Amendments to the Advanced Air Bag Rule—pt. 2'' (RIN2127-AI82) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5273. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Bureau, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Amendment of Part 2 of the Commission's Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services to Support the Introduction of New Advanced Wireless Services, including Third Generation Wireless Systems; Establishment of Policies and Service Rules for the Mobile-Satellite Service in the 2 GHz Band'' (FCC03-16) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5274. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Bureau, transmitting, pursuant to law, the report of a rule entitled ''Partial Band Licensing and Loading Standards for Earth Stations in the FSS that Share Spectrum With Terrestrial Services, Blanket Licensing for Small Aperture Terminals in the C-Band, Routine Licensing of 3.7 Meter Transmit and Receive Stations at C-Band, and Deployment of Geostationary-Orbit FSS Earth Stations'' (FCC02-17) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5275. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Bureau, transmitting, pursuant to law, the report of a rule entitled ''Order on Reconsideration, 'In the Matter of Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 GHz Band, the L-Band, and the 1.6/2.4 GHz Bands'' (FCC03-162) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5276. A communication from the Senior Legal Advisor, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of the Commission's Rules for Implementation of its Cable Operations and Licensing System (COALS) to Allow for Electronic Filing of Licensing Applications, Forms, Registrations, and Notifications in the Multichannel Video and Cable Television Service and the Cable Television Relay Service'' (CS Doc. No. 00-78) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5277. A communication from the Senior Legal Advisor, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Implementation of Section 304 of the Telecommunications Act of 1996—Commercial Availability of Navigation Devices/Compatibility Between Cable Systems and Consumer Electronics Equipment'' (CS Doc. No. 97-80) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5278. A communication from the Senior Legal Advisor, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television'' (FCC02-230) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5279. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Mobile Satellite Service in the 1610-1626.5/2483.5-2500 MHz Frequency Band'' (FCC96-54) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5280. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Review of the Spectrum Sharing Plan Among Non-Geostationary Satellite Orbit Mobile Satellite Service Systems in the 1.6/2.4 GHz Bands'' (IB Doc. No. 02-364) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5281. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''The International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that are Presumed to Posses Market Power in the Foreign Telecommunications Markets'' (IB Doc. No. 00-106) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5282. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Enforcement of Other Nations' Prohibitions Against the Uncompleted Call Signaling Configuration of International Call-back Service; Petition for Rulemaking of the Telecommunications Resellers Association to Eliminate Comity-Based Enforcement of Other Nations' Prohibitions Against the Uncompleted Call Signaling Configuration of International Call-back Service'' (IB Doc. No. 02-18) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5283. A communication from the Associate Bureau Chief, Wireless Communications Commission, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Reallocation and Service Rules for the 698-746 MHz Spectrum Band (Television Channels 52-59)'' (GN Doc. No. 01-74) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5284. A communication from the Associate Bureau Chief, Wireless Communications Commission, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Federal-State Joint Board on Universal Service'' (FCC03-249) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5285. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report relative to the audit of the Telecommunications Development Fund; to the Committee on Commerce, Science, and Transportation.

EC–5286. A communication from the Acting Assistant Secretary for Export Administration, Bureau of Industry and Security Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Addition of Kazakhstan to the Nuclear Suppliers Group (NSG), and Other Revisions'' (RIN0694-AC90) received on November 14, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5287. A communication from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Amendment of Parts 2 and 25 of the Commission's Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range'' (FCC03-24) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5288. A communication from the Attorney Advisor, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Parts 2 and 87 of the Commission's Rules to Accommodate Advanced Digital Communications in the 117.975-137 MHz Band and to Implement Flight Information Services in the 137-137 MHz Band'' (FCC01-378) received on November 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–5289. A communication from the Under Secretary of Defense, Comptroller, Department of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 99-01; to the Committee on Appropriations.

EC–5290. A communication from the Director, Regulatory Review Group, Farm Service Agency, transmitting, pursuant to law, the report of a rule entitled ''Removal of Obsolete Regulations'' (RIN0560-AH04) received on November 14, 2003; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5291. A communication from the Under Secretary of Defense, Comptroller, Department of Defense, transmitting, pursuant to law, a report relative to funding transfers made during FY 2003 under the authority of the Department's Appropriations Acts 2001, 2002, and 2003; to the Committee on Armed Services.

EC–5292. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, General Services Administration, transmitting, pursuant to law, the report of a rule entitled ''Federal Acquisition Regulation; Federal Acquisition Circular 2001-17'' (FAC2001-17) received on November 14, 2003; to the Committee on Armed Services.

EC–5293. A communication from the Deputy Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Amendments to the Bank Secrecy Act Regulations; Definitions of Futures Commission Merchants and Introducing Brokers in Commodities as Financial Institutions; Requirement that Futures Commission Merchants and Introducing Brokers in Commodities Report Suspicious Transactions'' (RIN1506-AA44) received on November 17, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–5294. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Suspension of Community Elibility; 66 FR 54718'' (FEMA-7771) received on November 14, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–5295. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law,

the report of a rule entitled ''Changes in Flood Elevation Determinations; 66 FR 56769'' (44 CFR Part 65) received on November 14, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–5296. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Changes in Flood Elevations Determinations; 66 FR 56773'' (FEMA-B-7422) received on November 14, 2003; to the Committee on Banking, Housing, and Urban Affairs .

EC–5297. A communication from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects'' (RIN2501-AC98) received on November 14, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–5298. A communication from the Chairman and President, Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to the Kingdom of the Netherlands; to the Committee on Banking, Housing, and Urban Affairs.

EC–5299. A communication from the Chairman and President, Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC–5300. A communication from the Chairman and President, Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to Kazakhstan; to the Committee on Banking, Housing, and Urban Affairs.

EC–5301. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Abandoned Mine Land (AML) Reclamation Program; Enhancing AML Reclamation'' (RIN1029-AC07) received on November 17, 2003; to the Committee on Energy and Natural Resources.

EC–5302. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Kentucky Abandoned Mine Land (AML) Plan'' (KY-239-FOR) received on November 17, 2003; to the Committee on Energy and Natural Resources.

EC–5303. A communication from the Director, Office of Human Resources Management, transmitting, pursuant to law, the report of a nomination confirmed for the position of Assistant Secretary for Congressional and Intergovernmental Affairs, Department of Energy, received on November 17, 2003; to the Committee on Energy and Natural Resources.

EC–5304. A communication from the Director, Office of Human Resources Management, transmitting, pursuant to law, the report of a nomination confirmed for the position of Assistant Secretary for Congressional and Governmental Affairs, Department of Energy, received on November 17, 2003; to the Committee on Energy and Natural Resources.

EC–5305. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Emergency Wartime Supplemental Appropriations Act, a report relative to the export to Iraq of electronic counter measures; to the Committee on Foreign Relations.

EC–5306. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, a report relative to Cuban emigration policies; to the Committee on Foreign Relations.

EC–5307. A communication from the Commissioner, Social Security Administration, transmitting, a report of the Administration's processing of continuing disability reviews for fiscal year 2002; to the Committee on Finance.

EC–5308. A communication from the Commissioner, Social Security Administration, transmitting, the Administration's Performance and Accountability Report for Fiscal Year 2003; to the Committee on Finance.

EC–5309. A communication from the Director, Executive Office of the President, Office of Management and Budget, transmitting, pursuant to law, a report entitled ''Statistical Programs of the United States Government: Fiscal Year 2004''; to the Committee on Governmental Affairs.

EC–5310. A communication from the Inspector General, Department of the Interior, transmitting, pursuant to law, a report relative to the Department's inventory of commercial and inherently governmental activities; to the Committee on Governmental Affairs.

EC–5311. A communication from the Auditor of the District of Columbia, transmitting, a report relative to the District's Sports and Entertainment Commission; to the Committee on Governmental Affairs.

EC–5312. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a copy of the Commission's FY 2001 commercial inventory submission; to the Committee on Governmental Affairs.

EC–5313. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report relative to D.C. Act 15-210, ''Sports and Entertainment Commission Financial Affairs Temporary Amendment Act of 2003''; to the Committee on Governmental Affairs.

EC–5314. A communication from the Auditor of the District of Columbia, transmitting, a report relative to the District's Sports and Entertainment Commission; to the Committee on Governmental Affairs.

EC–5315. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''National Coverage Determinations'' relative to Medicare and Medicaid; to the Committee on Health, Education, Labor, and Pensions.

EC–5316. A communication from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Skin Protectant Products for Over-the-Counter Human Use; Astringent Drug Products; Final Monograph; Direct Final Rule; Confirmation of Effective Date'' (RIN0910-AA01) received on November 14, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–5317. A communication from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Iron-Containing Supplements and Drugs; Label Warning Statements and Unit-Dose Packaging Requirements; Removal of Regulations for Unit-Dose Packaging Requirements for Dietary Supplements and Drugs'' received on November 14, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–5318. A communication from the Deputy General Counsel, National Endowment for the Arts, transmitting, pursuant to law, the report of a rule entitled ''Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)'' (RIN3135-AA18 and -AA19) received on November 17, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–5319. A communication from the Assistant General Counsel, National Endowment for the Humanities, transmitting, pursuant to law, the report of a rule entitled ''Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)'' (RIN3136-AA25 and -AA26) received on November 17, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–5320. A communication from the General Counsel, Institute of Museum and Library Services, transmitting, pursuant to law, the report of a rule entitled ''Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)'' (RIN3137-AA14) received on November 17, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–5321. A communication from the Secretary, Judicial Conference of the United States, a report relative to the legislative proposals recently adopted by the Conference at its September 2003 meeting; to the Committee on the Judiciary.

EC–5322. A communication from the Acting Deputy General Counsel, Office of Disaster Assistance, Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''Disaster Loan Program'' (RIN3245-AE82) received on November 14, 2003; to the Committee on Small Business and Entrepreneurship.

EC–5323. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to U.S. military personnel and U.S. individual citizens retained as contractors involved in the anti-narcotics campaign in Columbia; to the Committee on Foreign Relations.

EC–5324. A communication from the President of the United States, transmitting, a report relative to the President's decision to take no action to suspend or prohibit the proposed investment by Singapore Technologies Telemedia Pte. Ltd. in Global Crossing Ltd.; to the Committee on Banking, Housing, and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INHOFE, from the Committee on Environment and Public Works, with an amendment:

S. 551. A bill to provide for the implementation of air quality programs developed in accordance with an Intergovernmental Agreement between the Southern Ute Indian Tribe and the State of Colorado concerning Air Quality Control on the Southern Ute Indian Reservation, and for other purposes (Rept. No. 108-201).

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 733. A bill to authorize appropriations for fiscal year 2004 for the United States Coast Guard, and for other purposes (Rept. No. 108-202).

S. 1218. A bill to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program (Rept. No. 108–203) .

EXECUTIVE REPORTS OF COMMITTEES

The following executive report of committees was submitted on November 17, 2003:

By Mr. HATCH for the Committee on the Judiciary.

James B. Comey, of New York, to be Deputy Attorney General.

DISCHARGED NOMINATIONS

The Senate Committee on Foreign Relations was discharged from further consideration of the following nominations and the nominations were confirmed:

Foreign Service nomination beginning with Robert Goldberg and ending with Robert Goldberg.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mrs. LINCOLN (for herself and Mr. BINGAMAN):

S. 1889. A bill to amend titles XIX and XXI of the Social Security Act to permit States to cover low-income youth up to age 23 with an enhanced matching rate; to the Committee on Finance.

By Mr. ENZI (for himself, Mr. REID, Mr. ENSIGN, Mrs. BOXER, Mr. ALLEN, Mrs. MURRAY, Mr. ALLARD, Mr. BURNS, and Mr. SMITH):

S. 1890. A bill to require the mandatory expensing of stock options granted to executive officers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GRAHAM of South Carolina (for himself and Mr. DURBIN):

S. 1891. A bill to amend title 11, United States Code, to establish a priority for the payment of claims for duties paid to the United States by licensed customs brokers and sureties on behalf of a debtor; to the Committee on the Judiciary.

By Mr. BAYH:

S. 1892. A bill to provide information and advice to pension plan participants to assist them in making decisions regarding the investment of their pension plan assets, and for other purposes; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. CRAIG):

S. 1893. A bill to provide for review in the Court of International Trade of certain determinations of binational panels and committees under the North American Free Trade Agreement; to the Committee on Finance.

By Mr. BINGAMAN (for himself, Mr. ALLEN, and Mr. HATCH):

S. 1894. A bill to amend the Internal Revenue Code of 1986 to provide for the deduction of interest paid in certain situations where the debt is guaranteed by a related foreign person; to the Committee on Finance.

By Ms. SNOWE (for herself and Mr. KERRY):

S. 1895. A bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958 through March 15, 2004, and for other purposes; considered and passed.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. SMITH, Mr. ROCKEFELLER, Mr. HATCH, Mr. CONRAD, Mr. BUNNING, Mr. GRAHAM of Florida, Mr. SANTORUM, Mr. JEFFORDS, and Mr. BREAUX):

S. 1896. A bill to provide extensions for certain expiring provisions of the Internal Revenue Code of 1986, and for other purposes; to the Committee on Finance.

By Mrs. DOLE:

S.J. Res. 25. A joint resolution proposing an amendment to the Constitution of the United States relative to the line item veto; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 595

At the request of Mr. HATCH, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 595, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 664

At the request of Mr. HATCH, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 664, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, to increase the rates of the alternative incremental credit, and to provide an alternative simplified credit for qualified research expenses.

S. 857

At the request of Mr. ROCKEFELLER, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 857, a bill to amend the Internal Revenue Code of 1986 to provide a tax incentive to individuals teaching in elementary and secondary schools located in rural or high unemployment areas and to individuals who achieve certification from the National Board for Professional Teaching Standards, and for other purposes.

S. 1266

At the request of Mrs. CLINTON, the names of the Senator from Georgia (Mr. MILLER), the Senator from Indiana (Mr. LUGAR), the Senator from Arizona (Mr. MCCAIN) and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of S. 1266, a bill to award a congressional gold medal to Dr. Dorothy Height, in recognition of her many contributions to the Nation.

S. 1277

At the request of Mr. BIDEN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1277, a bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide standards and procedures to guide both State and local law enforcement agencies and law enforcement officers during internal investigations, interrogation of law enforcement officers, and administrative disciplinary hearings, to ensure accountability of law enforcement officers, to guarantee the due process rights of law enforcement discipline, accountability, and due process laws.

S. 1380

At the request of Mr. SMITH, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1380 , a bill to distribute universal service support equitably throughout rural America, and for other purposes.

S. 1628

At the request of Mr. ALEXANDER, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1628, a bill to prescribe the oath of renunciation and allegiance for purposes of the Immigration and Nationality Act.

S. 1679

At the request of Mr. BUNNING, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 1679, a bill to amend the Internal Revenue Code of 1986 to reduce the depreciation recovery period for roof systems.

S. 1700

At the request of Mr. HATCH, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1700, a bill to eliminate the substantial backlog of DNA samples collected from crime scenes and convicted offenders, to improve and expand the DNA testing capacity of Federal, State, and local crime laboratories, to increase research and development of new DNA testing technologies, to develop new training programs regarding the collection and use of DNA evidence, to provide post-conviction testing of DNA evidence to exonerate the innocent, to improve the performance of counsel in State capital cases, and for other purposes.

S. 1858

At the request of Mr. COCHRAN, the names of the Senator from Idaho (Mr. CRAIG) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 1858, a bill to authorize the Secretary of Agriculture to conduct a loan repayment program to encourage the provision of veterinary services in shortage and emergency situations.

S.J. RES. 19

At the request of Mr. SPECTER, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S.J . Res. 19, a joint resolution recognizing Commodore John Barry as the first flag officer of the United States Navy.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities

that appear to be designed to develop nuclear weapons.

S. RES. 253

At the request of Mr. NELSON of Florida, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. Res. 253, a resolution to recognize the evolution and importance of motorsports.

S. RES. 262

At the request of Ms. SNOWE, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. Res. 262, a resolution to encourage the Secretary of the Treasury to initiate expedited negotiations with the People's Republic of China on establishing a market-based currency valuation and to fulfill its commitments under international trade agreements.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ENZI (for himself, Mr. REID, Mr. ENSIGN, Mrs. BOXER, Mr. ALLEN, Mrs. MURRAY, Mr. ALLARD, Mr. BURNS, and Mr. SMITH):

S. 1890. A bill to require the mandatory expensing of stock options granted to executive officers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. ENZI. Mr. President, I rise to introduce the Stock Option Accounting Act. This bill has been a long time in the making. It is a strong bipartisan bill that addresses the important role stock options play in our economy.

As an Accountant, and as a member of the Senate who was a small businessman for many years, I tend to believe most of the issues we address in Congress should be examined with an eye toward preserving the strength and integrity of our small business sector, and ensuring that the regulations that govern it are fair and preserve and promote, rather than discourage, innovation and competition.

I think that's something we can all agree on, so I know I won't have to go into too much detail about the importance of our small business sector, especially our small, high tech businesses. When it comes to small businesses, especially our high technology centers, we truly are the envy of the world. Our talented and creative engineers and inventors have paved the way for innovations in advanced technologies and computer software that other countries will always try to imitate.

Here in the United States, our Small Business Administration is well aware of the importance of that sector to our Nation's economy. Nearly 23 million strong, small businesses represent more than 99.7 percent of all employers, employ more than half of all private sector employees, generate 60 to 80 percent of net new jobs annually, create more than 50 percent of nonfarm private gross domestic product (GDP) and produce 13 to 14 times more patents per employee than large patenting firms.

Last week, I chaired a hearing in the Banking Committee's Subcommittee on Securities and Investment that featured testimony from the Financial Accounting Standards Board (FASB) and the small business community. It became quite evident during the hearing that FASB is ill equipped to conduct economic impact studies of the accounting standards that it adopts even through its one of their precepts. FASB may be able to conduct a cost analysis of an accounting standard proposal determining the costs of computers and additional manpower necessary to implement a new statement. But, it does not have the expertise to look at the comprehensive impact a new standard may have on the economy.

In addition, as the hearing progressed, it was evident that FASB is not listening to small businesses, and not taking their concerns seriously about a standard that FASB Board members stated was ''set in concrete'' prior to an official comment period on any draft proposal.

At the hearing, small business witnesses testified about how they are worried that the expensing of stock options would make this form of employee compensation prohibitive. They said it would make it very difficult if not impossible to attract and retain talented employees. It would also have a detrimental effect on the entrepreneurial nature and spirit of our country. In all of my years listening on this issue, not one small business owner has spoken in favor of expensing stock options.

After the hearing, I was more convinced than ever that legislation like this bill was needed to address the issue of the expensing of stock options.

A key element of FASB's current structure is its independence and I want to make it clear that I support that principle. FASB's independence, like freedom, must be earned—and it's independence does not provide a shield that absolves FASB of accountability and due process.

When it comes to the issue of stock options, a case can be made that FASB took up the project with a pre-ordained result in mind. It's no surprise, therefore, that the process that was established to pursue the matter seems to reflect a project that was begun with the end in mind. There is enough evidence there to at least make one wonder.

First, FASB doesn't seem to have given much consideration to the more than 200 public comment letters they received. The public comments made by FASB Board Members seem to also reflect a skewed process, as does the lack of response to the many high tech companies that have visited with FASB in the past several months. In addition, FASB has refused to conduct real road tests to actual valuation methods.

According to the FASB website ''Facts about FASB 2003–2004,'' the Board follows certain precepts in the conduct of its activities. They are: 1. To be objective in its decision making and to ensure, insofar as possible, the neutrality of information resulting from its standards. To be neutral, information must report economic activity as faithfully as possible without coloring the image it communicates for the purpose of influencing behavior in any particular direction. 2. To weight carefully the views of its constituents in developing concepts and standards. However, the ultimate determinant of concepts and standards must be the Board's judgment, based on research, public input and careful deliberation about the usefulness of the resulting information. 3. To promulgate standards only when the expected benefits exceed the perceived costs. While reliable, quantitative cost-benefit calculations are seldom possible, the Board strives to determine that a proposed standard will meet a significant need and that the costs it imposes, compared with possible alternatives, are justified in relation to the overall benefits. 4. To bring about needed changes in ways that minimize disruption to the continuity of reporting practice. Reasonable effective dates and transition provisions are established when new standards are introduced. The Board considers it desirable that change be evolutionary to the extent that it can be accommodated by the need for relevance, reliability, comparability and consistency. 5. To review the effects of past decisions and interpret, amend or replace standards in timely fashion when such action is indicated.

Precept number 3 greatly interests me. I am very concerned that FASB has repeatedly refused to consider the economic consequences of its decisions. The mandatory expending of all employee stock options has serious economic, labor, trade and competitiveness implications. These issues fall squarely within the jurisdiction and oversight of Congress. It's not hard to imagine what would be said of Congress if we failed to take note of the economic implications of the actions we take on the floor.

Simply put, at the end of the day, if FASB is going to earn its independence, it will have to adhere to a process that is objective, fair, open and balanced. So far, FASB seems to be more concerned about getting the job done—than in getting it right.

That is why I am offering legislation that will expense the stock options given to the top five executives of a company, exempt small businesses and start up companies, and set conditions for the expensing of broad-based options for the remaining employees. I treat the three groups differently in this matter because a very real and strong accounting distinction exists between the two types of workers.

First of all, in a very real sense the top five executives of an organization

are different from the general employee group in the manner in which they are treated by the SEC and the manner in which their compensation is defined and distributed from an accounting perspective.

The top five executives, for instance, are treated differently when it comes to their compensation and a wide range of other matters. Proxy rules, for instance, require significant additional disclosures from the top five executives than they do of any other group.

Second, from an accounting perspective, there is a clear distinction between executives and the broad employee group. In their recent book, In the Company of Owners, Professor Joseph Blasi and Douglas Kruse concluded, based on extensive research, that options granted to all but the top executives in a company are not labor income, but a form of capital income.

To quote from their book, ''They represent risk sharing profits that workers receive on top of their normal market wages and benefits. As such, it makes little sense to deduct the value of those options from profits.''

In addition, Blasi and Kruse found that, ''options turn employees into economic partners in the enterprise. As such, they stand to share in the stock appreciation that they help to bring about. . . . Options provide an additional dimension to their employment relationship, allowing workers to participate in both the risks and the rewards of property ownership. . . . There's substantial economic evidence that options bring workers capital rather than labor income. . . . The earnings workers get from options comes on top of their regular market wage.''

In contrast, options for top executives function more as labor income, particularly in companies without broad based option plans. These top executives bargain for their entire ''compensation'' package and, in many cases, stock options represent a large part of the total package. Their negotiations about compensation are distinctly different than other employees.

That brings me to our bill and its purpose—or, to continue with my line of reasoning—If these two groups should be compensated differently for their efforts when it comes to stock options, how should it be done?

Our legislation would mandate a valuation method of the options given to the top five executives that does not require companies to predict their future stock price volatility. One of the members of the Option Valuation Group, Fred Cook, appointed by the FASB strongly recommended this method—one where stock price volatility is set at zero so that companies don't have to use a crystal ball and try to predict their future stock price.

Another key principle in our legislation is the requirement that FASB develop a method of ''truing up''—or correcting errors—that are made when stock option estimates are made at grant date. There are several other areas where estimates are made in financial statements, and then corrected over time as the precise facts are learned. Today, no such corrections are made in the stock options area—a fundamental flaw in the system.

To address these issues, the bill has three major components. First, the bill would target executive compensation. A company would be required to expense immediately options of the top five highly compensated individuals at a company. The Securities and Exchange Commission already requires this information in annual statements and proxy statements. In addition, it would provide investors with a clearer understanding of the stock options of top company officials. This also would work in conjunction with the self-regulatory organization's rules, approved last week by the Securities and Exchange Commission, to require shareholder approval of stock option plans.

Second, small business would be exempt from expensing stock options. The exemption for small businesses would follow the current SEC rules for defining small businesses. The bill would allow small companies a 3-year grace period after an initial public offering prior to a company being required to expense stock options. This would allow a sufficient period of time to work out any initial volatility after the initial public offering.

Finally, the bill would not permit the Securities and Exchange Commission to recognize a stock option expensing standard unless two things happen. First, companies must be able to recognize the true expense of stock options on their financial statements. Currently, FASB wants companies to expense stock options upon the grant date of an option. Unfortunately, the current valuation models for stock options, Black-Scholes, binomial, Crystal Ball, and others, are horrible indicators of the true cost to a company stock options.

The bill would require that a company be able to ''true-up'' its financial statements when a stock option is exercised, lapses or is forfeited. If the cost goes up then the company must record the increase when an option is exercised. Likewise, if an option lapses or is forfeited then a company should be able to wipe those previously taken expenses off its balanced sheet. This is only fair.

The second item prior to an accounting standard to be recognized is the completion of an economic analysis study by the Secretary of Commerce and the Secretary of Labor. This study would look at how the use of stock options may stimulate economic growth in our nation's economy. In addition, the study would relate how stock options expensing could effect the competiveness of U.S. companies in international markets.

I strongly believe that this bill is essential to our economic strength. It is clear that FASB is not listening to small business and therefore is not listening to the future of our country. FASB is therefore ill equipped to make the economic analysis decisions to determine the true effect of stock option expensing on our economy.

In addition, the bill also targets the invasion's need for greater information on executive compensation. I ask my colleagues to take a serious look at this bill and to support its passage.

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

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

SUMMARY OF KEY PROVISIONS OF THE ENZI-REID STOCK OPTION ACCOUNTING REFORM ACT

MANDATORY EXPENSING OF STOCK OPTION HELD BY HIGHLY COMPENSATED OFFICERS

The legislation requires that the chief executive officer and the next four most highly compensated executive officers shall expense their stock options in the annual reports filed with the Commission.

Expensing the options granted to the CEO and next four most highly compensated executive officers would go into effect immediately.

This is consistent with information that must be filed with the Commission as part of Securities Exchange Commission Regulation S–K and part of proxy statement filings pursuant to Securities Exchange Act Rule 14.

The section would require that the ''fair value'' of a stock option would be equal to the value that would be agreed upon by a willing buyer and seller taking into account all of the characteristics and restrictions imposed upon the stock option.

In light of the extreme inaccuracy of existing stock valuation models (e.g., Black Scholes, binomial, etc.), particularly with regard to the factor that requires companies to predict the volatility of their stock price, the legislation requires that the assumed volatility of the underlying stock option shall be considered zero.

SMALL BUSINESS EXEMPTION

The legislation exempts from the top five expensing requirement all small businesses as defined currently by the Securities and Exchange Commission pursuant to Regulation S–B.

The legislation also delays stock option expensing of a small business issuer until three years after an initial public offering has taken place. This would allow a small business issuer's stock to settle down from the initial volatility of the initial public offering.

PROHIBITION ON EXPENSING; ''TRUING UP'' REQUIREMENT; AND ECONOMIC IMPACT STUDY

The legislation prohibits the SEC from recognizing any stock option expensing accounting standard set by a standard setting body unless and until: 1. The expensing standard recognizes the true expense of the stock option on a company's financial statement when the option is exercised, expires or is forfeited, a ''truing up'' requirement; and 2. A comprehensive economic impact study has been conducted by the Departments of Commerce and Labor.

As to the first requirement above, currently, stock options must be expensed based upon the grant date of the option. There is no ''truing up,'' or correcting, errors made at the time of grant when subsequent events prove the initial estimates to be inaccurate. The legislation requires that when an option is exercised, expires or is forfeited, the company would reconcile the actual expense to

the company to the amount expensed previously upon the date of grant.

As to the second requirement, the legislation requires the Secretary of Commerce and the Secretary of Labor to conduct and complete a joint study on the economic impact of the mandatory expensing of all employee stock options. The study will address: 1. the use of broad-based stock option plans in expanding employee corporate ownership to workers at a wide range of income levels with particular focus on non-executive workers; 2. the role of such plans in the recruitment and retention of skilled workers; 3. the role of such plans in stimulating research and innovation; 4. the effect of such plans in stimulating the economic growth of the United States; and 5. the role of such plans in strengthening the international competitiveness of United States' businesses.

Mr. REID. Mr. President, I want to thank Senators ENZI, ENSIGN, BOXER, and ALLEN for their hard work and continued efforts on this issue.

It is with pleasure that I introduce bipartisan legislation, the Stock Option Accounting Reform Act of 2003, that is good for economic growth and the American way.

We have to protect investors and stockholders by ensuring that our Nation's accounting standards are transparent, open and balanced. At the same time, we don't want to choke the entrepreneurial spirit of start-up companies with too much bureaucratic red tape.

This legislation achieves just the right balance. It gives regulators a framework to protect the integrity of the accounting process, but it doesn't stifle free enterprise.

This bill requires a joint study by the Department of Labor and Department of Commerce to help FASB (Financial Accounting Standards Board) treat stock options fairly. It will help regulators valuate stocks for accounting purposes. It will curb stock option abuse by requiring the top five executives at large companies to expense their options. This will provide a true picture of a company's financial health.

Finally, it will protect small businesses and start-ups that rely upon stock options to attract good employees.

This bill is good for emerging companies and good for consumers. It's a balanced approach that deserves broad bipartisan support.

By Mr. BAYH:

S. 1892. A bill to provide information and advice to pension plan participants to assist them in making decisions regarding the investment of their pension plan assets, and for other purposes; to the Committee on Finance.

Mr. BAYH. 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. 1892

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

SECTION 1. NOTICE OF HIGH CONCENTRATION OF PENSION ASSETS IN EMPLOYER SECURITIES.

(a) IN GENERAL.—Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) in amended by adding at the end of the following new subsection:

''(e) NOTICE OF HIGH CONCENTRATION OF PLAN ASSETS IN EMPLOYER SECURITIES.—

''(1) IN GENERAL.—In the case of an individual account plan to which this subsection applies, if the percentage of assets in the individual account that consists of employer securities and employer real property exceeds 50 percent of the total account, the plan administrator shall include with the account statement a notice that the account may be overinvested in employer securities and employer real property. Any determination under this paragraph shall be made as of the most recent valuation date under the plan.

''(2) EXCLUSION OF ASSETS HELD THROUGH POOLED INVESTMENT VEHICLES.—Employer securities and employer real property held through an investment option of the plan which is not designed to invest primarily in employer securities or employer real property shall not be taken under paragraph (1) is determining the percentage of assets that consist of employer securities and employer real property.

''(3) APPLICATION.—

''(A) IN GENERAL.—This subsection shall apply to any individual account plan which—

''(i) holds employer securities which are readily tradable on an established securities market, and

''(ii) permits a participant or beneficiary to exercise control over assets in the individual's account.

''(B) EXCEPTION FOR ESOPS.—This subsection shall not apply to an employee stock ownership plan (as defined in section 4795(e)(7)) of the Internal Revenue Code of 1986) if the plan has no contributions which are subject to section 401 (k) or (m) of such Code.

''(4) EMPLOYER SECURITIES AND REAL PROPERTY.—For purposes of this subsection, the terms 'employer securities' and 'employer real property' have the meanings given such terms by paragraphs (1) and (2) of section 407(d), respectively.''

(b) PENALTY.—Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132) is amended—

(1) in subsection (a)(6), by striking ''(6), or (7)'' and inserting ''(6), (7), or (8)'',

(2) by redesignating paragraph (8) of subsection (c) as paragraph (9), and

(3) by inserting after paragraph (7) the following new paragraph:

''(8) The Secretary may assess a civil penalty against a plan administrator of up to $100 a day from the date of the plan administrator's failure or refusal to provide notice to participants and beneficiaries in accordance with section 105(e). For purposes of this paragraph, each violation with respect to any single participant or beneficiary shall be treated as a separate violation.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2003.

SEC. 2. TREATMENT OF QUALIFIED RETIREMENT PLANNING SERVICES.

(a) IN GENERAL.—Subsection (m) of section 132 of the Internal Revenue Code of 1986 (defining qualified retirement services) is amended by redesignating paragraphs (2) and (3) as paragraphs (5) and (6), respectively, and by inserting after paragraph (1) the following:

''(2) LIMITATIONS.—

''(A) DOLLAR LIMITATION.—The aggregate amount which may be excluded with respect to qualified retirement planning services provided to any individual during a taxable year shall not exceed $1,500.

''(B) ADJUSTED GROSS INCOME.—No amount may be excluded with respect to qualified retirement planning services provided during a taxable year if the modified adjusted gross income of the taxpayer for such taxable year exceeds $100,000 ($200,000 in the case of married individuals filing a joint return). For purposes of this subparagraph, the term 'modified adjusted gross income' means adjusted gross income, determined without regard to this section and sections 911, 931, and 933.

''(3) CASH REIMBURSEMENTS.—For purposes of this subsection, the term 'qualified retirement planning services' includes a cash reimbursement by an employer to an employee for a benefit described in paragraph (1).

''(4) NO CONSTRUCTIVE RECEIPT.—No amount shall be included in the gross income of any employee solely because the employee may choose between any qualified retirement planning services provided by a qualified investment advisor and compensation which would otherwise be includible in the gross income of such employee. The preceding sentence shall apply to highly compensated employees only if the choice described in such sentence is available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.''

(b) CONFORMING AMENDMENTS.—

(1) Section 403(b)(3)(B) of such Code is amended by inserting ''132(m)(4),'' after ''132(f)(4),''.

(2) Section 414(s)(2) of such Code is amended by inserting ''132(m)(4),'' after ''132(f)(4),''.

(3) Section 415(c)(3)(D)(ii) of such Code is amended by inserting ''132(m)(4),'' after ''132(f)(4),''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. SMITH, Mr. ROCKEFELLER, Mr. HATCH, Mr. CONRAD, Mr. BUNNING, Mr. GRAHAM of Florida, Mr. SANTORUM, Mr. JEFFORDS, and Mr. BREAUX):

S. 1896. A bill to provide extensions for certain expiring provisions of the Internal Revenue Code of 1986, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. 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. 1896

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 ''Tax Relief Extension Act of 2003''.

(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—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

SEC. 101. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Paragraph (2) of section 9812(f) is amended by striking ''December 31, 2003'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2004.

SEC. 102. CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking ''January 1, 2004'' and inserting ''July 1, 2004''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to facilities placed in service after December 31, 2003.

SEC. 103. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''December 31, 2003'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2003.

SEC. 104. WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''December 31, 2003'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2003.

SEC. 105. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended—

(1) by striking ''January 1, 2004'' and inserting ''July 1, 2004'', and

(2) by adding at the end the following new sentence: ''In the case of any taxable year beginning after December 31, 2003, which includes June 30, 2004, any increase in the allowance for depletion by reason of this subparagraph shall be equal to the amount which bears the same ratio to the increase in such allowance determined without regard to this sentence as the number of days in the taxable year before July 1, 2004, bears to the total number of days in such taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 106. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by inserting ''$200,000,000 for the period beginning after December 31, 2003, and before July 1, 2004,'' after ''2003,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2003.

SEC. 107. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2004'' and inserting ''July 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2003.

SEC. 108. DEDUCTION FOR CORPORATE DONATIONS OF COMPUTER TECHNOLOGY.

(a) EXTENSION OF DEDUCTION.—Section 170(e)(6)(G) (relating to termination) is amended by striking ''contribution made during any taxable year beginning after December 31, 2003'' and inserting ''contribution made after June 30, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contributions made after December 31, 2003.

SEC. 109. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2003,'' and inserting ''June 30, 2004,'',

(B) in subparagraph (A), by striking ''calendar year 2004'' and inserting ''after June 30, 2004, and before July 1, 2005'',

(C) in subparagraph (B), by striking ''calendar year 2005'' and inserting ''after June 30, 2005, and before July 1, 2006'', and

(D) in subparagraph (C), by striking ''calendar year 2006'' and inserting ''after June 30, 2006, and before July 1, 2007'', and

(2) in subsection (e), by striking ''December 31, 2006'' and inserting ''June 30, 2007''.

(b) CONFORMING AMENDMENT.—Clause (iii) of section 280F(a)(1)(C) is amended by striking ''January 1, 2007'' and inserting ''July 1, 2007''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2003.

SEC. 110. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2003,'' and inserting ''June 30, 2004,'',

(B) in clause (i), by striking ''calendar year 2004'' and inserting ''after June 30, 2004, and before July 1, 2005'',

(C) in clause (ii), by striking ''calendar year 2005'' and inserting ''after June 30, 2005, and before July 1, 2006'', and

(D) in clause (iii), by striking ''calendar year 2006'' and inserting ''after June 30, 2006, and before July 1, 2007'', and

(2) in subsection (f), by striking ''December 31, 2006'' and inserting ''June 30, 2007''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to property placed in service after December 31, 2003.

SEC. 111. DEDUCTION FOR CERTAIN EXPENSES OF SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended—

(1) by inserting ''and the period beginning after December 31, 2003, and before July 1, 2004,'' after ''2003,'', and

(2) by inserting ''for each taxable year or $125 for such period'' after ''$250''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to expenses paid or incurred after December 31, 2003.

SEC. 112. AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 220(i) (defining cut-off year) are each amended by striking ''2003'' each place it appears and inserting ''2004''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 220(j) is amended by striking ''1998, 1999, 2001, or 2002'' each place it appears and inserting ''1998, 1999, 2001, 2002, or 2003''.

(2) Subparagraph (A) of section 220(j)(4) is amended by striking ''and 2002'' and inserting ''2002, and 2003''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2004.

SEC. 113. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) EXTENSION OF TERMINATION DATE.—Subsection (h) of section 198 is amended by striking ''December 31, 2003'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures paid or incurred after December 31, 2003.

SEC. 114. EXPANSION OF WOTC TO NEW YORK LIBERTY ZONE.

(a) IN GENERAL.—Subclause (I) of section 1400L(a)(2)(D)(iv) is amended by inserting ''or the period beginning after December 31, 2003, and before July 1, 2004'' after ''2003''.

(b) CONFORMING AMENDMENT.—Subclause (II) of section 1400L(a)(2)(D)(iv) is amended by inserting ''or period described in subclause (I)'' after ''year''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2003.

SEC. 115. TEMPORARY SPECIAL RULES FOR TAXATION OF LIFE INSURANCE COMPANIES.

(a) IN GENERAL.—Subsection (j) of section 809 is amended by striking ''or 2003'' and inserting ''2003, or 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 116. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—Subsection (f) of section 1400 is amended by striking ''December 31, 2003'' both places it appears and inserting ''June 30, 2004''.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—Subsection (b) of section 1400A is amended by striking ''December 31, 2003'' and inserting ''June 30, 2004''.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking ''January 1, 2004'' each place it appears and inserting ''July 1, 2004''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking ''December 31, 2008'' and inserting ''June 30, 2009'', and

(ii) by striking ''2008'' in the heading and inserting ''JUNE 2009''.

(B) Section 1400B(g)(2) is amended by striking ''December 31, 2008'' and inserting ''June 30, 2009''.

(C) Section 1400F(d) is amended by striking ''December 31, 2008'' and inserting ''June 30, 2009''.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by striking ''January 1, 2004'' and inserting ''July 1, 2004''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2004.

SEC. 117. COMBINED EMPLOYMENT TAX REPORTING PROGRAM.

(a) IN GENERAL.—Paragraph (1) of section 976(b) of the Taxpayer Relief Act of 1997 is amended by striking ''for a period ending with the date which is 5 years after the date of the enactment of this Act'' and inserting ''during the period ending before July 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disclosures on or after the date of the enactment of this Act.

TITLE II—REVENUE PROVISIONS

SEC. 201. ADDITION OF VACCINES AGAINST HEPATITIS A TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine) is amended by redesignating subparagraphs (I), (J), (K), and (L) as subparagraphs (J), (K), (L), and (M), respectively, and by inserting after subparagraph (H) the following new subparagraph:

''(I) Any vaccine against hepatitis A.''.

(b) CONFORMING AMENDMENT.—Section 9510(c)(1)(A) is amended by striking ''October 18, 2000'' and inserting ''the date of the enactment of the Tax Relief Extension Act of 2003''.

(c) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendments made by this section shall apply to sales and uses on or after the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 202. ADDITION OF VACCINES AGAINST INFLUENZA TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine), as amended by this Act, is amended by adding at the end the following new subparagraph:

''(N) Any trivalent vaccine against influenza.''.

(b) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendment made by this section shall apply to sales and uses on or after the later of—

(A) the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act, or

(B) the date on which the Secretary of Health and Human Services lists any vaccine against influenza for purposes of compensation for any vaccine-related injury or death through the Vaccine Injury Compensation Trust Fund.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 203. EXTENSION OF TRANSFERS OF EXCESS PENSION ASSETS TO RETIREE HEALTH ACCOUNTS.

(a) AMENDMENT OF INTERNAL REVENUE CODE OF 1986.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking ''December 31, 2005'' and inserting ''December 31, 2013''.

(b) AMENDMENTS OF ERISA.—

(1) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking ''Tax Relief Extension Act of 1999'' and inserting ''Tax Relief Extension Act of 2003''.

(2) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking ''Tax Relief Extension Act of 1999'' and inserting ''Tax Relief Extension Act of 2003''.

(3) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(3)) is amended—

(A) by striking ''January 1, 2006'' and inserting ''January 1, 2014'', and

(B) by striking ''Tax Relief Extension Act of 1999'' and inserting ''Tax Relief Extension Act of 2003''.

SEC. 204. EXTENSION OF IRS USER FEES.

(a) IN GENERAL.—Section 7528(c) (relating to termination) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests after the date of the enactment of this Act.

By Mrs. DOLE:

S.J. Res. 25. A joint resolution proposing an amendment to the Constitution of the United States relative to the line item veto; to the Committee on the Judiciary.

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

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

S. J. RES. 25

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission by the Congress:

''ARTICLE—

''SECTION 1. Congress shall have the power to enact a line-item veto.''.

AMENDMENTS SUBMITTED & PROPOSED

SA 2203. Mr. THOMAS (for Mr. SPECTER (for himself and Mr. GRAHAM, of Florida)) proposed an amendment to the bill S. 1156, to amend title 38, United States Code, to improve and enhance the provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.

SA 2204. Mr. THOMAS (for Mr. SPECTER) proposed an amendment to the bill S. 1156, supra.

SA 2205. Mr. THOMAS (for Mr. SPECTER (for himself and Mr. GRAHAM, of Florida)) proposed an amendment to the bill H.R. 2297, to amend title 38, United States Code, to improve benefits under laws administered by the Secretary of Veterans Affairs, and for other purposes.

SA 2206. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 671, to amend the Harmonized Tariff Schedule of the United States to modify temporarily certain rates of duty, to make other technical amendments to the trade laws, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2203. Mr. THOMAS (for Mr. SPECTER (for himself and Mr. GRAHAM of Florida)) proposed an amendment to the bill S. 1156, to amend title 38, United States Code, to improve and enhance the provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans Health Care, Capital Asset, and Business Improvement Act of 2003''.

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

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.
TITLE I—HEALTH CARE AUTHORITIES AND RELATED MATTERS
Sec. 101. Improved benefits for former prisoners of war.
Sec. 102. Provision of health care to veterans who participated in certain Department of Defense chemical and biological warfare testing.
Sec. 103. Eligibility for Department of Veterans Affairs health care for certain Filipino World War II veterans residing in the United States.
Sec. 104. Enhancement of rehabilitative services.
Sec. 105. Enhanced agreement authority for provision of nursing home care and adult day health care in contract facilities.
Sec. 106. Five-year extension of period for provision of noninstitutional extended-care services and required nursing home care.
Sec. 107. Expansion of Department of Veterans Affairs pilot program on assisted living for veterans.
Sec. 108. Improvement of program for provision of specialized mental health services to veterans.
TITLE II—CONSTRUCTION AND FACILITIES MATTERS
Subtitle A—Program Authorities
Sec. 201. Increase in threshold for major medical facility construction projects.
Sec. 202. Enhancements to enhanced-use lease authority.
Sec. 203. Simplification of annual report on long-range health planning.
Subtitle B—Project Authorizations
Sec. 211. Authorization of major medical facility projects.
Sec. 212. Authorization of major medical facility leases.
Sec. 213. Advance planning authorizations.
Sec. 214. Authorization of appropriations.
Subtitle C—Capital Asset Realignment for Enhanced Services Initiative
Sec. 221. Authorization of major construction projects in connection with Capital Asset Realignment Initiative.
Sec. 222. Advance notification of capital asset realignment actions.
Sec. 223. Sense of Congress and report on access to health care for veterans in rural areas.
Subtitle D—Plans for New Facilities
Sec. 231. Plans for facilities in specified areas.
Sec. 232. Study and report on feasibility of coordination of veterans health care services in South Carolina with new university medical center.
Subtitle E—Designation of Facilities
Sec. 241. Designation of Department of Veterans Affairs medical center, Prescott, Arizona, as the Bob Stump Department of Veterans Affairs Medical Center.
Sec. 242. Designation of Department of Veterans Affairs health care facility, Chicago, Illinois, as the Jesse Brown Department of Veterans Affairs Medical Center.
Sec. 243. Designation of Department of Veterans Affairs medical center, Houston, Texas, as the Michael E. DeBakey Department of Veterans Affairs Medical Center.
Sec. 244. Designation of Department of Veterans Affairs medical center, Salt Lake City, Utah, as the George E. Wahlen Department of Veterans Affairs Medical Center.

Sec. 245. Designation of Department of Veterans Affairs outpatient clinic, New London, Connecticut.
Sec. 246. Designation of Department of Veterans Affairs outpatient clinic, Horsham, Pennsylvania.

TITLE III—PERSONNEL MATTERS

Sec. 301. Modification of certain authorities on appointment and promotion of personnel in the Veterans Health Administration.
Sec. 302. Appointment of chiropractors in the Veterans Health Administration.
Sec. 303. Additional pay for Saturday tours of duty for additional health care workers in the Veterans Health Administration.
Sec. 304. Coverage of employees of Veterans' Canteen Service under additional employment laws.

TITLE IV—OTHER MATTERS

Sec. 401. Office of Research Oversight in Veterans Health Administration.
Sec. 402. Enhancement of authorities relating to nonprofit research corporations.
Sec. 403. Department of Defense participation in Revolving Supply Fund purchases.
Sec. 404. Five-year extension of housing assistance for homeless veterans.
Sec. 405. Report date changes.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES 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 title 38, United States Code.

TITLE I—HEALTH CARE AUTHORITIES AND RELATED MATTERS

SEC. 101. IMPROVED BENEFITS FOR FORMER PRISONERS OF WAR.

(a) OUTPATIENT DENTAL CARE FOR ALL FORMER PRISONERS OF WAR.—Section 1712(a)(1)(F) is amended by striking ''and who was detained or interned for a period of not less than 90 days''.

(b) EXEMPTION FROM PHARMACY COPAYMENT REQUIREMENT.—Section 1722A(a)(3) is amended—

(1) by striking ''or'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) to a veteran who is a former prisoner of war; or''.

SEC. 102. PROVISION OF HEALTH CARE TO VETERANS WHO PARTICIPATED IN CERTAIN DEPARTMENT OF DEFENSE CHEMICAL AND BIOLOGICAL WARFARE TESTING.

Section 1710(e) is amended—

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

''(E) Subject to paragraphs (2) and (3), a veteran who participated in a test conducted by the Department of Defense Deseret Test Center as part of a program for chemical and biological warfare testing from 1962 through 1973 (including the program designated as 'Project Shipboard Hazard and Defense (SHAD)' and related land-based tests) is eligible for hospital care, medical services, and nursing home care under subsection (a)(2)(F) for any illness, notwithstanding that there is insufficient medical evidence to conclude that such illness is attributable to such testing.'';

(2) in paragraph (2)(B)—

(i) by striking out ''paragraph (1)(C) or (1)(D)'' and inserting ''subparagraph (C), (D), or (E) of paragraph (1)''; and

(ii) by striking ''service described in that paragraph'' and inserting ''service or testing described in such subparagraph''; and

(3) in paragraph (3)—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(D) in the case of care for a veteran described in paragraph (1)(E), after December 31, 2005.''.

SEC. 103. ELIGIBILITY FOR DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FOR CERTAIN FILIPINO WORLD WAR II VETERANS RESIDING IN THE UNITED STATES.

The text of section 1734 is amended to read as follows:

''(a) The Secretary shall furnish hospital and nursing home care and medical services to any individual described in subsection (b) in the same manner, and subject to the same terms and conditions, as apply to the furnishing of such care and services to individuals who are veterans as defined in section 101(2) of this title. Any disability of an individual described in subsection (b) that is a service-connected disability for purposes of this subchapter (as provided for under section 1735(2) of this title) shall be considered to be a service-connected disability for purposes of furnishing care and services under the preceding sentence.

''(b) Subsection (a) applies to any individual who is a Commonwealth Army veteran or new Philippine Scout and who—

''(1) is residing in the United States; and

''(2) is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence.''.

SEC. 104. ENHANCEMENT OF REHABILITATIVE SERVICES.

(a) REHABILITATIVE SERVICES THROUGH MEDICAL CARE AUTHORITY.—Section 1701(8) is amended by striking ''(other than those types of vocational rehabilitation services provided under chapter 31 of this title)''.

(b) EXPANSION OF AUTHORIZED REHABILITATIVE SERVICES.—(1) Section 1718 is amended—

(A) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(B) by inserting after subsection (c) the following new subsection (d):

''(d) In providing to a veteran rehabilitative services under this chapter, the Secretary may furnish the veteran with the following:

''(1) Work skills training and development services.

''(2) Employment support services.

''(3) Job development and placement services.''.

(2) Subsection (c) of such section is amended—

(A) in paragraph (1), by striking ''subsection (b) of this section'' and inserting ''subsection (b) or (d)''; and

(B) in paragraph (2)—

(i) by striking ''subsection (b) of this section'' and inserting ''subsection (b) or (d)''; and

(ii) by striking ''paragraph (2) of such subsection'' and inserting ''subsection (b)(2)''.

SEC. 105. ENHANCED AGREEMENT AUTHORITY FOR PROVISION OF NURSING HOME CARE AND ADULT DAY HEALTH CARE IN CONTRACT FACILITIES.

(a) ENHANCED AUTHORITY.—Subsection (c) of section 1720 is amended—

(1) by designating the existing text as paragraph (2); and

(2) by inserting before paragraph (2), as so designated, the following new paragraph (1):

''(1)(A) In furnishing nursing home care, adult day health care, or other extended care services under this section, the Secretary may enter into agreements for furnishing such care or services with—

''(i) in the case of the medicare program, a provider of services that has entered into a provider agreement under section 1866(a) of the Social Security Act (42 U.S.C. 1395cc(a)); and

''(ii) in the case of the medicaid program, a provider participating under a State plan under title XIX of such Act (42 U.S.C. 1396 et seq.).

''(B) In entering into an agreement under subparagraph (A) with a provider of services described in clause (i) of that subparagraph or a provider described in clause (ii) of that subparagraph, the Secretary may use the procedures available for entering into provider agreements under section 1866(a) of the Social Security Act.''.

(b) CONFORMING AMENDMENT.—Subsection (f)(1)(B) of such section is amended by inserting ''or agreement'' after ''contract'' each place it appears.

SEC. 106. FIVE-YEAR EXTENSION OF PERIOD FOR PROVISION OF NONINSTITUTIONAL EXTENDED-CARE SERVICES AND REQUIRED NURSING HOME CARE.

(a) NONINSTITUTIONAL EXTENDED CARE SERVICES.—Section 1701(10)(A) is amended by striking ''the date of the enactment of the Veterans Millennium Health Care and Benefits Act and ending on December 31, 2003,'' and inserting ''November 30, 1999, and ending on December 31, 2008,''.

(b) REQUIRED NURSING HOME CARE.—Section 1710A(c) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

SEC. 107. EXPANSION OF DEPARTMENT OF VETERANS AFFAIRS PILOT PROGRAM ON ASSISTED LIVING FOR VETERANS.

Section 103(b) of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1552; 38 U.S.C. 1710B note) is amended—

(1) by striking ''LOCATION OF PILOT PROGRAM.—'' and inserting ''LOCATIONS OF PILOT PROGRAM.—(1)''; and

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

''(2)(A) In addition to the health care region of the Department selected for the pilot program under paragraph (1), the Secretary may also carry out the pilot program in not more than one additional designated health care region of the Department selected by the Secretary for purposes of this section.

''(B) Notwithstanding subsection (f), the authority of the Secretary to provide services under the pilot program in a health care region of the Department selected under subparagraph (A) shall cease on the date that is three years after the commencement of the provision of services under the pilot program in the health care region.''.

SEC. 108. IMPROVEMENT OF PROGRAM FOR PROVISION OF SPECIALIZED MENTAL HEALTH SERVICES TO VETERANS.

(a) INCREASE IN FUNDING.—Subsection (c) of section 116 of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1559; 38 U.S.C. 1712A note) is amended—

(1) in paragraph (1), by striking ''$15,000,000'' and inserting ''$25,000,000 in each of fiscal years 2004, 2005, and 2006'';

(2) in paragraph (2), by striking ''$15,000,000'' and inserting ''$25,000,000''; and

(3) in paragraph (3)—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following new subparagraph:

''(B) For purposes of this paragraph, in fiscal years 2004, 2005, and 2006, the fiscal year used to determine the baseline amount shall be fiscal year 2003.''.

(b) ALLOCATION OF FUNDS.—Subsection (d) of that section is amended—

(1) by striking ''The Secretary'' and inserting ''(1) In each of fiscal years 2004, 2005, and 2006, the Secretary''; and

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

''(2) In allocating funds to facilities in a fiscal year under paragraph (1), the Secretary shall ensure that—

''(A) not less than $10,000,000 is allocated by direct grants to programs that are identified by the Mental Health Strategic Health Care Group and the Committee on Care of Severely Chronically Mentally Ill Veterans;

''(B) not less than $5,000,000 is allocated for programs on post-traumatic stress disorder; and

''(C) not less than $5,000,000 is allocated for programs on substance use disorder.

''(3) The Secretary shall provide that the funds to be allocated under this section during each of fiscal years 2004, 2005, and 2006 are funds for a special purpose program for which funds are not allocated through the Veterans Equitable Resource Allocation system.''.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

Subtitle A—Program Authorities

SEC. 201. INCREASE IN THRESHOLD FOR MAJOR MEDICAL FACILITY CONSTRUCTION PROJECTS.

Section 8104(a)(3)(A) is amended by striking ''$4,000,000'' and inserting ''$7,000,000''.

SEC. 202. ENHANCEMENTS TO ENHANCED-USE LEASE AUTHORITY.

(a) NOTIFICATION OF PROPERTY TO BE LEASED.—Section 8163 is amended—

(1) in the first sentence of subsection (a)—

(A) by striking ''designate a property to be leased under an enhanced-use lease'' and inserting ''enter into an enhanced-use lease with respect to certain property''; and

(B) by striking ''before making the designation'' and inserting ''before entering into the lease'';

(2) in subsection (b), by striking ''of the proposed designation'' and inserting ''to the congressional veterans' affairs committees and to the public of the proposed lease''; and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''designate the property involved'' and inserting ''enter into an enhanced-use lease of the property involved''; and

(ii) by striking ''to so designate the property'' and inserting ''to enter into such lease'';

(B) in paragraph (2), by striking ''90-day period'' and inserting ''45-day period'';

(C) in paragraph (3)—

(i) by striking ''general description'' in subparagraph (D) and inserting ''description of the provisions''; and

(ii) by adding at the end the following new subparagraph:

''(G) A summary of a cost-benefit analysis of the proposed lease.''; and

(D) by striking paragraph (4).

(b) DISPOSITION OF LEASED PROPERTY.—Section 8164 is amended—

(1) in subsection (a)—

(A) by striking ''by requesting the Administrator of General Services to dispose of the property pursuant to subsection (b)'' in the first sentence; and

(B) by striking the third sentence;

(2) in subsection (b)—

(A) by striking ''Secretary and the Administrator of General Services jointly determine'' and inserting ''Secretary determines''; and

(B) by striking ''Secretary and the Administrator consider'' and inserting ''Secretary considers''; and

(3) in subsection (c), by striking ''90 days'' and inserting ''45 days''.

(c) USE OF PROCEEDS.—Section 8165 is amended—

(1) in subsection (a)(2), by striking ''and remaining after any deduction from such funds under the laws referred to in subsection (c)'';

(2) in subsection (b), by adding at the end the following new sentence: ''The Secretary may use the proceeds from any enhanced-use lease to reimburse applicable appropriations of the Department for any expenses incurred in the development of additional enhanced-use leases.''; and

(3) by striking subsection (c).

(d) CLERICAL AMENDMENTS.—(1) The heading of section 8163 is amended to read as follows:

''§ 8163. Hearing and notice requirements regarding proposed leases''.

(2) The item relating to section 8163 in the table of sections at the beginning of chapter 81 is amended to read as follows:

''8163. Hearing and notice requirements regarding proposed leases.''.

SEC. 203. SIMPLIFICATION OF ANNUAL REPORT ON LONG-RANGE HEALTH PLANNING.

Section 8107(b) is amended by striking paragraphs (3) and (4).

Subtitle B—Project Authorizations

SEC. 211. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in an amount not to exceed the amount specified for that project:

(1) Construction of a long-term care facility in Lebanon, Pennsylvania, $14,500,000.

(2) Construction of a long-term care facility in Beckley, West Virginia, $20,000,000.

(3) Construction of a new bed tower to consolidate two inpatient sites of care in the city of Chicago at the West Side Division of the Department of Veterans Affairs health care system in Chicago, Illinois, in an amount not to exceed $98,500,000.

(4) Seismic corrections to strengthen Medical Center Building 1 of the Department of Veterans Affairs health care system in San Diego, California, in an amount not to exceed $48,600,000.

(5) A project for (A) renovation of all inpatient care wards at the West Haven, Connecticut, facility of the Department of Veterans Affairs health system in Connecticut to improve the environment of care and enhance safety, privacy, and accessibility, and (B) establishment of a consolidated medical research facility at that facility, in an amount not to exceed $50,000,000.

(6) Construction of a Department of Veterans Affairs-Department of the Navy joint venture comprehensive outpatient medical care facility to be built on the grounds of the Pensacola Naval Air Station, Pensacola, Florida, in an amount not to exceed $45,000,000.

SEC. 212. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) For an outpatient clinic in Charlotte, North Carolina, in an amount not to exceed $3,000,000.

(2) For an outpatient clinic extension, Boston, Massachusetts, in an amount not to exceed $2,879,000.

SEC. 213. ADVANCE PLANNING AUTHORIZATIONS.

The Secretary of Veterans Affairs may carry out advance planning for a major medical facility project at each of the following locations, with such planning to be carried out in an amount not to exceed the amount specified for that location:

(1) Denver, Colorado, in an amount not to exceed $30,000,000, of which $26,000,000 shall be provided by the Secretary of Veterans Affairs and $4,000,000 shall be provided by the Secretary of Defense.

(2) Pittsburgh, Pennsylvania, in an amount not to exceed $9,000,000.

(3) Las Vegas, Nevada, in an amount not to exceed $25,000,000.

(4) Columbus, Ohio, in an amount not to exceed $9,000,000.

(5) East Central, Florida, in an amount not to exceed $17,500,000.

SEC. 214. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2004—

(1) for the Construction, Major Projects, account, a total of $363,100,000, of which—

(A) $276,600,000 is for the projects authorized in section 211; and

(B) $86,500,000 is for the advance planning authorized in section 213; and

(2) for the Medical Care account, $5,879,000 for the leases authorized in section 212.

(b) LIMITATION.—The projects authorized in section 211 may only be carried out using—

(1) funds appropriated for fiscal year 2004 pursuant to the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2004 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects, for fiscal year 2004 for a category of activity not specific to a project.

Subtitle C—Capital Asset Realignment for Enhanced Services Initiative

SEC. 221. AUTHORIZATION OF MAJOR CONSTRUCTION PROJECTS IN CONNECTION WITH CAPITAL ASSET REALIGNMENT INITIATIVE.

(a) AUTHORITY TO CARRY OUT MAJOR CONSTRUCTION PROJECTS.—Subject to subsection (b), the Secretary of Veterans Affairs may carry out major construction projects as specified in the final report of the Capital Asset Realignment for Enhanced Services Commission and approved by the Secretary.

(b) LIMITATION.—The Secretary may not exercise the authority in subsection (a) until 45 days after the date of the submittal of the report required by subsection (c).

(c) REPORT ON PROPOSED MAJOR CONSTRUCTION PROJECTS.—(1) The Secretary shall submit to the Committees on Veterans' Affairs and the Committees on Appropriations of the Senate and House of Representatives not later than February 1, 2004, a report describing the major construction projects the Secretary proposes to carry out in connection with the Capital Asset Realignment for Enhanced Services initiative.

(2) The report shall list each proposed major construction project in order of priority, with such priority determined in the order as follows:

(A) The use of the facility to be constructed or altered as a replacement or enhancement facility necessitated by the loss, closure, or other divestment of major infrastructure or clinical space at a Department of Veterans Affairs medical facility currently in operation, as determined by the Secretary.

(B) The remedy of life and safety code deficiencies, including seismic, egress, and fire deficiencies at such facility.

(C) The use of such facility to provide health care services to a population that is determined under the Capital Asset Realignment for Enhanced Services initiative to be underserved or not currently served by such facility.

(D) The renovation or modernization of such facility, including the provision of barrier-free design, improvement of building

systems and utilities, or enhancement of clinical support services.

(E) The need for such facility to further an enhanced-use lease or sharing agreement.

(F) Any other factor that the Secretary considers to be of importance in providing care to eligible veterans.

(3) In developing the list of projects and according a priority to each project, the Secretary should consider the importance of allocating available resources equitably among the geographic service areas of the Department and take into account recent shifts in populations of veterans among those geographic service areas.

(d) SUNSET.—The Secretary may not enter into a contract to carry out major construction projects under the authority in subsection (a) after September 30, 2006.

SEC. 222. ADVANCE NOTIFICATION OF CAPITAL ASSET REALIGNMENT ACTIONS.

(a) REQUIREMENT FOR ADVANCE NOTIFICATION.—If the Secretary of Veterans Affairs approves a recommendation resulting from the Capital Asset Realignment for Enhanced Services initiative, then before taking any action resulting from that recommendation that would result in—

(1) a medical facility closure;

(2) an administrative reorganization described in subsection (c) of section 510 of title 38, United States Code; or

(3) a medical facility consolidation,

the Secretary shall submit to Congress a written notification of the intent to take such action.

(b) LIMITATION.—Upon submitting a notification under subsection (a), the Secretary may not take any action described in the notification until the later of—

(1) the end of the 60-day period beginning on the date on which the notification is received by Congress; or

(2) the end of a period of 30 days of continuous session of Congress beginning on the date on which the notification is received by Congress or, if either House of Congress is not in session on such date, the first day after such date on which both Houses of Congress are in session.

(c) CONTINUOUS SESSION OF CONGRESS.—For the purposes of subsection (b)—

(1) the continuity of a session of Congress is broken only by an adjournment of Congress sine die; and

(2) any day on which either House is not in session because of an adjournment of more than three days to a day certain is excluded in the computation of any period of time in which Congress is in continuous session.

(d) MEDICAL FACILITY CONSOLIDATION.—For the purposes of subsection (a), the term ''medical facility consolidation'' means an action that closes one or more medical facilities for the purpose of relocating those activities to another medical facility or facilities within the same geographic service area.

SEC. 223. SENSE OF CONGRESS AND REPORT ON ACCESS TO HEALTH CARE FOR VETERANS IN RURAL AREAS.

(a) SENSE OF CONGRESS.—Recognizing the difficulties that veterans residing in rural areas encounter in gaining access to health care in facilities of the Department of Veterans Affairs, it is the sense of Congress that the Secretary of Veterans Affairs should take steps to ensure that an appropriate mix of facilities and clinical staff is available for health care for veterans residing in rural areas.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report describing the steps the Secretary is taking, and intends to take, to improve access to health care for veterans residing in rural areas.

Subtitle D—Plans for New Facilities

SEC. 231. PLANS FOR FACILITIES IN SPECIFIED AREAS.

(a) SOUTHERN NEW JERSEY.—(1) The Secretary of Veterans Affairs shall develop a plan for meeting the future hospital care needs of veterans who reside in southern New Jersey.

(2) For purposes of paragraph (1), the term ''southern New Jersey'' means the following counties of the State of New Jersey: Ocean, Burlington, Camden, Gloucester, Salem, Cumberland, Atlantic, and Cape May.

(b) FAR SOUTH TEXAS.—(1) The Secretary shall develop a plan for meeting the future hospital care needs of veterans who reside in far south Texas.

(2) For purposes of paragraph (1), the term ''far south Texas'' means the following counties of the State of Texas: Bee, Calhoun, Crockett, DeWitt, Dimmit, Goliad, Jackson, Victoria, Webb, Aransas, Duval, Jim Wells, Kleberg, Nueces, Refugio, San Patricio, Brooks, Cameron, Hidalgo, Jim Hogg, Kenedy, Starr, Willacy, and Zapata.

(c) NORTH CENTRAL WASHINGTON.—(1) The Secretary shall develop a plan for meeting the future hospital care needs of veterans who reside in north central Washington.

(2) For purposes of paragraph (1), the term ''north central Washington'' means the following counties of the State of Washington: Chelan, Douglas, Ferry, Grant, Kittitas, and Okanogan.

(d) PENSACOLA AREA.—(1) The Secretary shall develop a plan for meeting the future hospital care needs of veterans who reside in the Pensacola area.

(2) For purposes of paragraph (1), the term ''Pensacola area'' means—

(A) the counties of Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Liberty, Gulf, and Franklin of the State of Florida; and

(B) the counties of Covington, Geneva, Houston, and Escambia of the State of Alabama.

(e) CONSIDERATION OF USE OF CERTAIN EXISTING AUTHORITIES.—In developing the plans under this section, the Secretary shall, at a minimum, consider options using the existing authorities of sections 8111 and 8153 of title 38, United States Code, to—

(1) establish a hospital staffed and managed by employees of the Department, either in private or public facilities, including Federal facilities; or

(2) enter into contracts with existing Federal facilities, private facilities, and private providers for that care.

(f) REPORT.—The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on each plan under this section not later than April 15, 2004.

SEC. 232. STUDY AND REPORT ON FEASIBILITY OF COORDINATION OF VETERANS HEALTH CARE SERVICES IN SOUTH CAROLINA WITH NEW UNIVERSITY MEDICAL CENTER.

(a) STUDY REQUIRED.—The Secretary of Veterans Affairs shall conduct a study to examine the feasibility of coordination by the Department of Veterans Affairs of its needs for inpatient hospital, medical care, and long-term care services for veterans with the pending construction of a new university medical center at the Medical University of South Carolina, Charleston, South Carolina.

(b) MATTERS TO BE INCLUDED IN STUDY.—(1) As part of the study under subsection (a), the Secretary shall consider the following:

(A) Integration with the Medical University of South Carolina of some or all of the services referred to in subsection (a) through contribution to the construction of that university's new medical facility or by becoming a tenant provider in that new facility.

(B) Construction by the Department of Veterans Affairs of a new independent inpatient or outpatient facility alongside or nearby the university's new facility.

(2) In carrying out paragraph (1), the Secretary shall consider the degree to which the Department and the university medical center would be able to share expensive technologies and scarce specialty services that would affect any such plans of the Secretary or the university.

(3) In carrying out the study, the Secretary shall especially consider the applicability of the authorities under section 8153 of title 38, United States Code (relating to sharing of health care resources between the Department and community provider organizations), to govern future arrangements and relationships between the Department and the Medical University of South Carolina.

(c) CONSULTATION WITH SECRETARY OF DEFENSE.—The Secretary of Veterans Affairs shall consult with the Secretary of Defense in carrying out the study under this section. Such consultation shall include consideration of establishing a Department of Veterans Affairs-Department of Defense joint health-care venture at the site referred to in subsection (a).

(d) REPORT.—Not later than April 15, 2004, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the study. The report shall include the Secretary's recommendations with respect to coordination described in subsection (a), including recommendations with respect to each of the matters referred to in subsection (b).

Subtitle E—Designation of Facilities

SEC. 241. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, PRESCOTT, ARIZONA, AS THE BOB STUMP DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs Medical Center located in Prescott, Arizona, shall after the date of the enactment of this Act be known and designated as the ''Bob Stump Department of Veterans Affairs Medical Center''. Any reference to such medical center in any law, regulation, map, document, or other paper of the United States shall be considered to be a reference to the Bob Stump Department of Veterans Affairs Medical Center.

SEC. 242. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FACILITY, CHICAGO, ILLINOIS, AS THE JESSE BROWN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs health care facility located at 820 South Damen Avenue in Chicago, Illinois, shall after the date of the enactment of this Act be known and designated as the ''Jesse Brown Department of Veterans Affairs Medical Center''. Any reference to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Jesse Brown Department of Veterans Affairs Medical Center.

SEC. 243. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, HOUSTON, TEXAS, AS THE MICHAEL E. DEBAKEY DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs Medical Center in Houston, Texas, shall after the date of the enactment of this Act be known and designated as the ''Michael E. DeBakey Department of Veterans Affairs Medical Center''. Any reference to such facility in any

law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Michael E. DeBakey Department of Veterans Affairs Medical Center.

SEC. 244. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, SALT LAKE CITY, UTAH, AS THE GEORGE E. WAHLEN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs Medical Center in Salt Lake City, Utah, shall after the date of the enactment of this Act be known and designated as the ''George E. Wahlen Department of Veterans Affairs Medical Center''. Any references to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the George E. Wahlen Department of Veterans Affairs Medical Center.

SEC. 245. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, NEW LONDON, CONNECTICUT.

The Department of Veterans Affairs outpatient clinic located in New London, Connecticut, shall after the date of the enactment of this Act be known and designated as the ''John J. McGuirk Department of Veterans Affairs Outpatient Clinic''. Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the John J. McGuirk Department of Veterans Affairs Outpatient Clinic.

SEC. 246. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, HORSHAM, PENNSYLVANIA.

The Department of Veterans Affairs outpatient clinic located in Horsham, Pennsylvania, shall after the date of the enactment of this Act be known and designated as the ''Victor J. Saracini Department of Veterans Affairs Outpatient Clinic''. Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Victor J. Saracini Department of Veterans Affairs Outpatient Clinic.

TITLE III—PERSONNEL MATTERS

SEC. 301. MODIFICATION OF AUTHORITIES ON APPOINTMENT AND PROMOTION OF PERSONNEL IN THE VETERANS HEALTH ADMINISTRATION.

(a) POSITIONS TREATABLE AS HYBRID STATUS POSITIONS.—(1) Section 7401 is amended—

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

''(2) Scientific and professional personnel, such as microbiologists, chemists, and biostatisticians.''; and

(B) by striking paragraph (3) and inserting the following new paragraph (3):

''(3) Audiologists, speech pathologists, and audiologist-speech pathologists, biomedical engineers, certified or registered respiratory therapists, dietitians, licensed physical therapists, licensed practical or vocational nurses, medical instrument technicians, medical records administrators or specialists, medical records technicians, medical and dental technologists, nuclear medicine technologists, occupational therapists, occupational therapy assistants, kinesiotherapists, orthotist-prosthetists, pharmacists, pharmacy technicians, physical therapy assistants, prosthetic representatives, psychologists, diagnostic radiologic technicians, therapeutic radiologic technicians, and social workers.''.

(2) Personnel appointed to the Veterans Health Administration before the date of the enactment of this Act who are in an occupational category of employees specified in paragraph (3) of section 7401 of title 38, United States Code, by reason of the amendment made by paragraph (1)(B) of this subsection shall, as of such date, be deemed to have been appointed to the Administration under such paragraph (3).

(b) APPOINTMENTS AND PROMOTIONS.—Section 7403 of such title is amended—

(1) in subsection (f)(3)—

(A) by inserting ''reductions-in-force, the applicability of the principles of preference referred to in paragraph (2), rights of part-time employees,'' after ''adverse actions,'';

(B) by inserting '', whether appointed under this section or section 7405(a)(1)(B) of this title'' after ''such positions''; and

(C) by inserting a comma after ''status)''; and

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

''(h)(1) If the Secretary uses the authority provided in subsection (c) for the promotion and advancement of an occupational category of employees described in section 7401(3) of this title, as authorized by subsection (f)(1)(B), the Secretary shall do so through one or more systems prescribed by the Secretary. Each such system shall be planned, developed, and implemented in collaboration with, and with the participation of, exclusive employee representatives of such occupational category of employees.

''(2)(A) Before prescribing a system of promotion and advancement of an occupational category of employees under paragraph (1), the Secretary shall provide to exclusive employee representatives of such occupational category of employees a written description of the proposed system.

''(B) Not later than 30 days after receipt of the description of a proposed system under subparagraph (A), exclusive employee representatives may submit to the Secretary the recommendations, if any, of such exclusive employee representatives with respect to the proposed system.

''(C) The Secretary shall give full and fair consideration to any recommendations received under subparagraph (B) in deciding whether and how to proceed with a proposed system.

''(3) The Secretary shall implement immediately any part of a system of promotion and advancement under paragraph (1) that is proposed under paragraph (2) for which the Secretary receives no recommendations from exclusive employee representatives under paragraph (2).

''(4) If the Secretary receives recommendations under paragraph (2) from exclusive employee representatives on any part of a proposed system of promotion and advancement under that paragraph, the Secretary shall determine whether or not to accept the recommendations, either in whole or in part. If the Secretary determines not to accept all or part of the recommendations, the Secretary shall—

''(A) notify the congressional veterans' affairs committees of the recommendations and of the portion of the recommendations that the Secretary has determined not to accept;

''(B) meet and confer with such exclusive employee representatives, for a period not less than 30 days, for purposes of attempting to reach an agreement on whether and how to proceed with the portion of the recommendations that the Secretary has determined not to accept;

''(C) at the election of the Secretary, or of a majority of such exclusive employee representatives who are participating in negotiations on such matter, employ the services of the Federal Mediation and Conciliation Service during the period referred to in subparagraph (B) for purposes of reaching such agreement; and

''(D) if the Secretary determines that activities under subparagraph (B), (C), or both are unsuccessful at reaching such agreement and determines (in the sole and unreviewable discretion of the Secretary) that further meeting and conferral under subparagraph (B), mediation under subparagraph (C), or both are unlikely to reach such agreement—

''(i) notify the congressional veterans' affairs committees of such determinations, identify for such committees the portions of the recommendations that the Secretary has determined not to accept, and provide such committees an explanation and justification for determining to implement the part of the system subject to such portions of the recommendations without regard to such portions of the recommendations; and

''(ii) commencing not earlier than 30 days after notice under clause (i), implement the part of the system subject to the recommendations that the Secretary has determined not to accept without regard to those recommendations.

''(5) If the Secretary and exclusive employee representatives reach an agreement under paragraph (4) providing for the resolution of a disagreement on one or more portions of the recommendations that the Secretary had determined not to accept under that paragraph, the Secretary shall immediately implement such resolution.

''(6) In implementing a system of promotion and advancement under this subsection, the Secretary shall—

''(A) develop and implement mechanisms to permit exclusive employee representatives to participate in the periodic review and evaluation of the system, including peer review, and in any further planning or development required with respect to the system as a result of such review and evaluation; and

''(B) provide exclusive employee representatives appropriate access to information to ensure that the participation of such exclusive employee representative in activities under subparagraph (A) is productive.

''(7)(A) The Secretary may from time to time modify a system of promotion and advancement under this subsection.

''(B) In modifying a system, the Secretary shall take into account any recommendations made by the exclusive employee representatives concerned.

''(C) In modifying a system, the Secretary shall comply with paragraphs (2) through (5) and shall treat any proposal for the modification of a system as a proposal for a system for purposes of such paragraphs.

''(D) The Secretary shall promptly submit to the congressional veterans' affairs committees a report on any modification of a system. Each report shall include—

''(i) an explanation and justification of the modification; and

''(ii) a description of any recommendations of exclusive employee representatives with respect to the modification and a statement whether or not the modification was revised in light of such recommendations.

''(8) In the case of employees who are not within a unit with respect to which a labor organization is accorded exclusive recognition, the Secretary may develop procedures for input from representatives under this subsection from any appropriate organization that represents a substantial percentage of such employees or, if none, in such other manner as the Secretary considers appropriate, consistent with the purposes of this subsection.

''(9) In this subsection, the term 'congressional veterans' affairs committees' means the Committees on Veterans' Affairs of the Senate and the House of Representatives.''.

(c) TEMPORARY, PART-TIME, AND WITHOUT COMPENSATION APPOINTMENTS.—Section 7405 of such title is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

''(B) Positions listed in section 7401(3) of this title.

''(C) Librarians.''; and

(B) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraph (B):

''(B) Positions listed in section 7401(3) of this title.''; and

(2) in subsection (c)(1), by striking ''section 7401(1)'' and inserting ''paragraphs (1) and (3) of section 7401''.

(d) AUTHORITY FOR ADDITIONAL PAY FOR CERTAIN HEALTH CARE PROFESSIONALS.—Section 7454(b)(1) of such title is amended by striking ''certified or registered'' and all that follows through ''occupational therapists,'' and inserting ''individuals in positions listed in section 7401(3) of this title,''.

SEC. 302. APPOINTMENT OF CHIROPRACTORS IN THE VETERANS HEALTH ADMINISTRATION.

(a) APPOINTMENTS.—Section 7401 is amended—

(1) in the matter preceding paragraph (1), by striking ''medical'' and inserting ''health''; and

(2) in paragraph (1), by inserting ''chiropractors,'' after ''podiatrists,''.

(b) QUALIFICATIONS OF APPOINTEES.—Section 7402(b) is amended—

(1) by redesignating paragraph (10) as paragraph (11); and

(2) by inserting after paragraph (9) the following new paragraph (10):

''(10) CHIROPRACTOR.—To be eligible to be appointed to a chiropractor position, a person must—

''(A) hold the degree of doctor of chiropractic, or its equivalent, from a college of chiropractic approved by the Secretary; and

''(B) be licensed to practice chiropractic in a State.''.

(c) PERIOD OF APPOINTMENTS AND PROMOTIONS.—Section 7403(a)(2) is amended by adding at the end the following new subparagraph:

''(H) Chiropractors.''.

(d) GRADES AND PAY SCALES.—Section 7404(b)(1) is amended by striking the third center heading in the table and inserting the following:

''CLINICAL PODIATRIST, CHIROPRACTOR, AND OPTOMETRIST SCHEDULE''.

(e) MALPRACTICE AND NEGLIGENCE PROTECTION.—Section 7316(a) is amended—

(1) in paragraph (1), by striking ''medical'' each place it appears and inserting ''health''; and

(2) in paragraph (2)—

(A) by striking ''medical'' the first place it appears and inserting ''health''; and

(B) by inserting ''chiropractor,'' after ''podiatrist,''.

(f) TREATMENT AS SCARCE MEDICAL SPECIALISTS FOR CONTRACTING PURPOSES.—Section 7409(a) is amended by inserting ''chiropractors,'' in the second sentence after ''optometrists,''.

(g) COLLECTIVE BARGAINING EXEMPTION.—Section 7421(b) is amended by adding at the end the following new paragraph:

''(8) Chiropractors.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 180–day period beginning on the date of the enactment of this Act.

SEC. 303. ADDITIONAL PAY FOR SATURDAY TOURS OF DUTY FOR ADDITIONAL HEALTH CARE WORKERS IN THE VETERANS HEALTH ADMINISTRATION.

(a) IN GENERAL.—Section 7454(b) is amended by adding at the end the following new paragraph:

''(3) Employees appointed under section 7408 of this title shall be entitled to additional pay on the same basis as provided for nurses in section 7453(c) of this title.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect with respect to the first pay period beginning on or after January 1, 2004.

SEC. 304. COVERAGE OF EMPLOYEES OF VETERANS' CANTEEN SERVICE UNDER ADDITIONAL EMPLOYMENT LAWS.

(a) COVERAGE.—Paragraph (5) of section 7802 is amended by inserting before the semicolon a period and the following: ''An employee appointed under this section may be considered for appointment to a Department position in the competitive service in the same manner that a Department employee in the competitive service is considered for transfer to such position. An employee of the Service who is appointed to a Department position in the competitive service under the authority of the preceding sentence may count toward the time-in-service requirement for a career appointment in such position any previous period of employment in the Service''.

(b) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) by striking the semicolon at the end of each of paragraphs (1) through (10) and inserting a period;

(2) by striking ''The Secretary '' and all that follows through ''(1) establish,'' and inserting ''(a) LOCATIONS FOR CANTEENS.—The Secretary shall establish,'';

(3) by redesignating paragraphs (2) through (11) as subsections (b) through (k), respectively, and by realigning those subsections (as so redesignated) so as to be flush to the left margin;

(4) in subsection (b) (as so redesignated), by inserting ''WAREHOUSES AND STORAGE DEPOTS.—The Secretary shall'' before ''establish'';

(5) in subsection (c) (as so redesignated), by inserting ''SPACE, BUILDINGS, AND STRUCTURES.—The Secretary shall'' before ''furnish'';

(6) in subsection (d) (as so redesignated), by inserting ''EQUIPMENT, SERVICES, AND UTILITIES.—The Secretary shall'' before ''transfer'';

(7) in subsection (e) (as so redesignated and as amended by subsection (a)), by inserting ''PERSONNEL.—The Secretary shall'' before ''employ'';

(8) in subsection (f) (as so redesignated), by inserting ''CONTRACTS AND AGREEMENTS.—The Secretary shall'' before ''make all'';

(9) in subsection (g) (as so redesignated), by inserting ''PRICES.—The Secretary shall'' before ''fix the'';

(10) in subsection (h) (as so redesignated), by inserting ''GIFTS AND DONATIONS.—The Secretary may'' before ''accept'';

(11) in subsection (i) (as so redesignated), by inserting ''RULES AND REGULATIONS.—The Secretary shall'' before ''make such'';

(12) in subsection (j) (as so redesignated), by inserting ''DELEGATION.—The Secretary may'' before ''delegate such''; and

(13) in subsection (k) (as so redesignated), by inserting ''AUTHORITY TO CASH CHECKS, ETC.—The Secretary may'' before ''authorize''.

TITLE IV—OTHER MATTERS

SEC. 401. OFFICE OF RESEARCH OVERSIGHT IN VETERANS HEALTH ADMINISTRATION.

(a) STATUTORY CHARTER.—(1) Chapter 73 is amended by inserting after section 7306 the following new section:

''§ 7307. Office of Research Oversight

''(a) REQUIREMENT FOR OFFICE.—(1) There is in the Veterans Health Administration an Office of Research Oversight (hereinafter in this section referred to as the 'Office'). The Office shall advise the Under Secretary for Health on matters of compliance and assurance in human subjects protections, research safety, and research impropriety and misconduct. The Office shall function independently of entities within the Veterans Health Administration with responsibility for the conduct of medical research programs.

''(2) The Office shall—

''(A) monitor, review, and investigate matters of medical research compliance and assurance in the Department with respect to human subjects protections; and

''(B) monitor, review, and investigate matters relating to the protection and safety of human subjects and Department employees participating in medical research in Department programs.

''(b) DIRECTOR.—(1) The head of the Office shall be a Director, who shall report directly to the Under Secretary for Health (without delegation).

''(2) Any person appointed as Director shall be—

''(A) an established expert in the field of medical research, administration of medical research programs, or similar fields; and

''(B) qualified to carry out the duties of the Office based on demonstrated experience and expertise.

''(c) FUNCTIONS.—(1) The Director shall report to the Under Secretary for Health on matters relating to protections of human subjects in medical research projects of the Department under any applicable Federal law and regulation, the safety of employees involved in Department medical research programs, and suspected misconduct and impropriety in such programs. In carrying out the preceding sentence, the Director shall consult with employees of the Veterans Health Administration who are responsible for the management and conduct of Department medical research programs.

''(2) The matters to be reported by the Director to the Under Secretary under paragraph (1) shall include allegations of research impropriety and misconduct by employees engaged in medical research programs of the Department.

''(3)(A) When the Director determines that such a recommendation is warranted, the Director may recommend to the Under Secretary that a Department research activity be terminated, suspended, or restricted, in whole or in part.

''(B) In a case in which the Director reasonably believes that activities of a medical research project of the Department place human subjects' lives or health at imminent risk, the Director shall direct that activities under that project be immediately suspended or, as appropriate and specified by the Director, be limited.

''(d) GENERAL FUNCTIONS.—(1) The Director shall conduct periodic inspections and reviews, as the Director determines appropriate, of medical research programs of the Department. Such inspections and reviews shall include review of required documented assurances.

''(2) The Director shall observe external accreditation activities conducted for accreditation of medical research programs conducted in facilities of the Department.

''(3) The Director shall investigate allegations of research impropriety and misconduct in medical research projects of the Department.

''(4) The Director shall submit to the Under Secretary for Health, the Secretary, and the Committees on Veterans' Affairs of the Senate and House of Representatives a report on any suspected lapse, from whatever cause or causes, in protecting safety of human subjects and others, including employees, in medical research programs of the Department.

''(5) The Director shall carry out such other duties as the Under Secretary for Health may require.

''(e) SOURCE OF FUNDS.—Amounts for the activities of the Office, including its regional offices, shall be derived from amounts appropriated for the Veterans Health Administration for Medical Care.

''(f) ANNUAL REPORT.—Not later than March 15 each year, the Director shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the activities of the Office during the preceding calendar year. Each such report shall include, with respect to that year, the following:

''(1) A summary of reviews of individual medical research programs of the Department completed by the Office.

''(2) Directives and other communications issued by the Office to field activities of the Department.

''(3) Results of any investigations undertaken by the Office during the reporting period consonant with the purposes of this section.

''(4) Other information that would be of interest to those committees in oversight of the Department medical research program.

''(g) MEDICAL RESEARCH.—For purposes of this section, the term 'medical research' means medical research described in section 7303(a)(2) of this title.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7306 the following new item:

''7307. Office of Research Oversight.''.

(b) CONFORMING AMENDMENT.—Section 7303 is amended by striking subsection (e).

SEC. 402. ENHANCEMENT OF AUTHORITIES RELATING TO NONPROFIT RESEARCH CORPORATIONS.

(a) COVERAGE OF PERSONNEL UNDER TORT CLAIMS LAWS.—(1) Subchapter IV of chapter 73 is amended by inserting after section 7364 the following new section:

''§ 7364A. Coverage of employees under certain Federal tort claims laws

''(a) An employee of a corporation established under this subchapter who is described by subsection (b) shall be considered an employee of the Government, or a medical care employee of the Veterans Health Administration, for purposes of the following provisions of law:

''(1) Section 1346(b) of title 28.

''(2) Chapter 171 of title 28.

''(3) Section 7316 of this title

''(b) An employee described in this subsection is an employee who—

''(1) has an appointment with the Department, whether with or without compensation;

''(2) is directly or indirectly involved or engaged in research or education and training that is approved in accordance with procedures established by the Under Secretary for Health for research or education and training; and

''(3) performs such duties under the supervision of Department personnel.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7364 the following new item:

''7364A. Coverage of employees under certain Federal tort claims laws.''.

(b) CLARIFICATION OF EXECUTIVE DIRECTOR'S ETHICS CERTIFICATION DUTIES.—Section 7366(c) is amended—

(1) by inserting ''(1)'' after ''(c)'';

(2) by striking ''any year—'' and all that follows through ''shall be subject'' and inserting ''any year shall be subject'';

(3) by striking ''functions; and'' and inserting ''functions.''; and

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

''(2) Each corporation established under this subchapter shall each year submit to the Secretary a statement signed by the executive director of the corporation verifying that each director and employee has certified awareness of the laws and regulations referred to in paragraph (1) and of the consequences of violations of those laws and regulations in the same manner as Federal employees are required to so certify.''.

(c) FIVE-YEAR EXTENSION OF AUTHORITY TO ESTABLISH RESEARCH CORPORATIONS.—Section 7368 is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

SEC. 403. DEPARTMENT OF DEFENSE PARTICIPATION IN REVOLVING SUPPLY FUND PURCHASES.

(a) ENHANCEMENT OF DEPARTMENT OF DEFENSE PARTICIPATION.—Section 8121 is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively;

(2) by designating the last sentence of subsection (a) as subsection (c); and

(3) by inserting after paragraph (3) of subsection (a) the following new subsection (b):

''(b) The Secretary may authorize the Secretary of Defense to make purchases through the fund in the same manner as activities of the Department. When services, equipment, or supplies are furnished to the Secretary of Defense through the fund, the reimbursement required by paragraph (2) of subsection (a) shall be made from appropriations made to the Department of Defense, and when services or supplies are to be furnished to the Department of Defense, the fund may be credited, as provided in paragraph (3) of subsection (a), with advances from appropriations available to the Department of Defense.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply only with respect to funds appropriated for a fiscal year after fiscal year 2003.

SEC. 404. FIVE-YEAR EXTENSION OF HOUSING ASSISTANCE FOR HOMELESS VETERANS.

Section 2041(c) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2008''.

SEC. 405. REPORT DATE CHANGES.

(a) SENIOR MANAGERS QUARTERLY REPORT.—Section 516(e)(1)(A) is amended by striking ''30 days'' and inserting ''45 days''.

(b) ANNUAL REPORT ON ASSISTANCE TO HOMELESS VETERANS.—Section 2065(a) is amended by striking ''April 15 of each year'' and inserting ''June 15 of each year''.

(c) ANNUAL REPORT OF COMMITTEE ON CARE OF SEVERELY CHRONICALLY MENTALLY ILL VETERANS.—Section 7321(d)(2) is amended by striking ''February 1, 1998, and February 1 of each of the six following years'' and inserting ''June 1 of each year through 2008''.

(d) ANNUAL REPORT ON SHARING OF HEALTH CARE RESOURCES.—Section 8153(g) is amended—

(1) by striking ''not more than 60 days after the end of each fiscal year'' and inserting ''not later than February 1 of each year''; and

(2) by inserting ''during the preceding fiscal year'' after ''under this section''.

(e) ANNUAL REPORT OF SPECIAL COMMITTEE ON PTSD.—Section 110(e)(2) of the Veterans' Health Care Act of 1984 (38 U.S.C. 1712A note) is amended by striking ''February 1 of each of the three following years'' and inserting ''May 1 of each year through 2008''.

SA 2204. Mr. THOMAS (for Mr. SPECTER) proposed an amendment to the bill S. 1156, to amend title 38, United States Code, to improve and enhance the provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes; as follows:

Amend the title to read as follows: ''A bill to amend title 38, United States Code, to improve and enhance provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.''.

SA 2205. Mr. THOMAS (for Mr. SPECTER (for himself and Mr. GRAHAM of Florida)) proposed an amendment to the bill H.R. 2297, To amend title 38, United Stated Code, to improve benefits under laws administered by the Secretary of Veterans' Affairs, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans Benefits Act of 2003''.

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

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—SURVIVOR BENEFITS

Sec. 101. Retention of certain veterans survivor benefits for surviving spouses remarrying after age 57.
Sec. 102. Benefits for children with spina bifida of veterans of certain service in Korea.
Sec. 103. Alternative beneficiaries for National Service Life Insurance and United States Government Life Insurance.
Sec. 104. Payment of benefits accrued and unpaid at time of death.

TITLE II—BENEFITS FOR FORMER PRISONERS OF WAR AND FOR FILIPINO VETERANS

SUBTITLE A—FORMER PRISONERS OF WAR

Sec. 201. Presumptions of service-connection relating to diseases and disabilities of former prisoners of war.

SUBTITLE B—FILIPINO VETERANS

Sec. 211. Rate of payment of benefits for certain Filipino veterans and their survivors residing in the United States.
Sec. 212. Burial benefits for new Philippine Scouts residing in the United States.
Sec. 213. Extension of authority to maintain regional office in the Republic of the Philippines.

TITLE III—EDUCATION BENEFITS, EMPLOYMENT PROVISIONS, AND RELATED MATTERS

Sec. 301. Expansion of Montgomery GI Bill education benefits for certain self-employment training.
Sec. 302. Increase in rates of survivors' and dependents' educational assistance.
Sec. 303. Restoration of survivors' and dependents' education benefits of individuals being ordered to full-time National Guard duty.
Sec. 304. Rounding down of certain cost-of-living adjustments on educational assistance.

Sec. 305. Authorization for State approving agencies to approve certain entrepreneurship courses.
Sec. 306. Repeal of provisions relating to obsolete education loan program.
Sec. 307. Six-year extension of the Veterans' Advisory Committee on Education.
Sec. 308. Procurement program for small business concerns owned and controlled by service-disabled veterans.
Sec. 309. Outstationing of Transition Assistance Program personnel.

TITLE IV—HOUSING BENEFITS AND RELATED MATTERS

Sec. 401. Authorization to provide adapted housing assistance to certain disabled members of the Armed Forces who remain on active duty.
Sec. 402. Increase in amounts for certain adaptive benefits for disabled veterans.
Sec. 403. Permanent authority for housing loans for members of the Selected Reserve.
Sec. 404. Reinstatement of minimum requirements for sale of vendee loans.
Sec. 405. Adjustment to home loan fees.
Sec. 406. One-year extension of procedures on liquidation sales of defaulted home loans guaranteed by the Department of Veterans Affairs.

TITLE V—BURIAL BENEFITS

Sec. 501. Burial plot allowance.
Sec. 502. Eligibility of surviving spouses who remarry for burial in national cemeteries.
Sec. 503. Permanent authority for State cemetery grants program.

TITLE VI—EXPOSURE TO HAZARDOUS SUBSTANCES

Sec. 601. Radiation Dose Reconstruction Program of Department of Defense.
Sec. 602. Study on disposition of Air Force Health Study.
Sec. 603. Funding of Medical Follow-Up Agency of Institute of Medicine of National Academy of Sciences for epidemiological research on members of the Armed Forces and veterans.

TITLE VII—OTHER MATTERS

Sec. 701. Time limitations on receipt of claim information pursuant to requests of Department of Veterans Affairs.
Sec. 702. Clarification of applicability of prohibition on assignment of veterans benefits to agreements requiring payment of future receipt of benefits.
Sec. 703. Six-year extension of Advisory Committee on Minority Veterans.
Sec. 704. Temporary authority for performance of medical disabilities examinations by contract physicians.
Sec. 705. Forfeiture of benefits for subversive activities.
Sec. 706. Two-year extension of round-down requirement for compensation cost-of-living adjustments.
Sec. 707. Codification of requirement for expeditious treatment of cases on remand.
Sec. 708. Technical and clerical amendments.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES 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 title 38, United States Code.

TITLE I—SURVIVOR BENEFITS

SEC. 101. RETENTION OF CERTAIN VETERANS SURVIVOR BENEFITS FOR SURVIVING SPOUSES REMARRYING AFTER AGE 57.

(a) EXCEPTION TO TERMINATION OF BENEFITS UPON REMARRIAGE.—Section 103(d)(2)(B) is amended by striking ''The remarriage after age 55'' and inserting ''The remarriage after age 57 of the surviving spouse of a veteran shall not bar the furnishing of benefits specified in paragraph (5) to such person as the surviving spouse of the veteran. Notwithstanding the previous sentence, the remarriage after age 55''.

(b) COORDINATION OF BENEFITS.—Section 1311 is amended by adding at the end the following new subsection:

''(e) In the case of an individual who is eligible for dependency and indemnity compensation under this section by reason of section 103(d)(2)(B) of this title who is also eligible for benefits under another provision of law by reason of such individual's status as the surviving spouse of a veteran, then, notwithstanding any other provision of law (other than section 5304(b)(3) of this title), no reduction in benefits under such other provision of law shall be made by reason of such individual's eligibility for benefits under this section.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004.

(d) RETROACTIVE BENEFITS PROHIBITED.—No benefit may be paid to any person by reason of the amendments made by subsections (a) and (b) for any period before the effective date specified in subsection (c).

(e) APPLICATION FOR BENEFITS.—In the case of an individual who but for having remarried would be eligible for benefits under title 38, United States Code, by reason of the amendment made by subsection (a) and whose remarriage was before the date of the enactment of this Act and after the individual had attained age 57, the individual shall be eligible for such benefits by reason of such amendment only if the individual submits an application for such benefits to the Secretary of Veterans Affairs not later than the end of the one-year period beginning on the date of the enactment of this Act.

(f) TECHNICAL CORRECTION.—Section 101(b) of the Veterans Benefits Act of 2002 (Public Law 107–330; 116 Stat. 2821; 38 U.S.C. 103 note) is amended by striking ''during the 1–year period'' and all that follows through ''(c)'' and inserting ''before the end of the one-year period beginning on the date of the enactment of the Veterans Benefits Act of 2003''.

SEC. 102. BENEFITS FOR CHILDREN WITH SPINA BIFIDA OF VETERANS OF CERTAIN SERVICE IN KOREA.

(a) IN GENERAL.—Chapter 18 is amended—

(1) by redesignating subchapter III, and sections 1821, 1822, 1823, and 1824, as subchapter IV, and sections 1831, 1832, 1833, and 1834, respectively; and

(2) by inserting after subchapter II the following new subchapter III:

''SUBCHAPTER III—CHILDREN OF CERTAIN KOREA SERVICE VETERANS BORN WITH SPINA BIFIDA

''§ 1821. Benefits for children of certain Korea service veterans born with spina bifida

''(a) BENEFITS AUTHORIZED.—The Secretary may provide to any child of a veteran of covered service in Korea who is suffering from spina bifida the health care, vocational training and rehabilitation, and monetary allowance required to be paid to a child of a Vietnam veteran who is suffering from spina bifida under subchapter I of this chapter as if such child of a veteran of covered service in Korea were a child of a Vietnam veteran who is suffering from spina bifida under such subchapter.

''(b) SPINA BIFIDA CONDITIONS COVERED.—This section applies with respect to all forms and manifestations of spina bifida, except spina bifida occulta.

''(c) VETERAN OF COVERED SERVICE IN KOREA.—For purposes of this section, a veteran of covered service in Korea is any individual, without regard to the characterization of that individual's service, who—

''(1) served in the active military, naval, or air service in or near the Korean demilitarized zone (DMZ), as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on September 1, 1967, and ending on August 31, 1971; and

''(2) is determined by the Secretary, in consultation with the Secretary of Defense, to have been exposed to a herbicide agent during such service in or near the Korean demilitarized zone.

''(d) HERBICIDE AGENT.—For purposes of this section, the term 'herbicide agent' means a chemical in a herbicide used in support of United States and allied military operations in or near the Korean demilitarized zone, as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on September 1, 1967, and ending on August 31, 1971.''.

(b) CHILD DEFINED.—Section 1831, as redesignated by subsection (a) of this section, is amended by striking paragraph (1) and inserting the following new paragraph (1):

''(1) The term 'child' means the following:

''(A) For purposes of subchapters I and II of this chapter, an individual, regardless of age or marital status, who—

''(i) is the natural child of a Vietnam veteran; and

''(ii) was conceived after the date on which that veteran first entered the Republic of Vietnam during the Vietnam era.

''(B) For purposes of subchapter III of this chapter, an individual, regardless of age or marital status, who—

''(i) is the natural child of a veteran of covered service in Korea (as determined for purposes of section 1821 of this title); and

''(ii) was conceived after the date on which that veteran first entered service described in subsection (c) of that section.''.

(c) NONDUPLICATION OF BENEFITS.—Subsection (a) of section 1834, as redesignated by subsection (a) of this section, is amended by adding at the end the following new sentence: ''In the case of a child eligible for benefits under subchapter I or II of this chapter who is also eligible for benefits under subchapter III of this chapter, a monetary allowance shall be paid under the subchapter of this chapter elected by the child.''.

(d) CONFORMING AMENDMENTS.—(1) Section 1811(1)(A) is amended by striking ''section 1821(1)'' and inserting ''section 1831(1)''.

(2) The heading for chapter 18 is amended to read as follows:

''CHAPTER 18—BENEFITS FOR CHILDREN OF VIETNAM VETERANS AND CERTAIN OTHER VETERANS''.

(e) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 18 is amended by striking the items relating to subchapter III and sections 1821, 1822, 1823, and 1824 and inserting the following new items:

''SUBCHAPTER III—CHILDREN OF CERTAIN KOREA SERVICE VETERANS BORN WITH SPINA BIFIDA

''1821. Benefits for children of certain Korea service veterans born with spina bifida.

''SUBCHAPTER IV—GENERAL PROVISIONS

''1831. Definitions.
''1832. Applicability of certain administrative provisions.
''1833. Treatment of receipt of monetary allowance and other benefits.
''1834. Nonduplication of benefits.''.

(2) The table of chapters at the beginning of title 38, United States Code, and at the beginning of part II, are each amended by striking the item relating to chapter 18 and inserting the following new item:

''18. Benefits for Children of Vietnam Veterans and Certain Other Veterans ..... 1802''.

SEC. 103. ALTERNATIVE BENEFICIARIES FOR NATIONAL SERVICE LIFE INSURANCE AND UNITED STATES GOVERNMENT LIFE INSURANCE.

(a) NATIONAL SERVICE LIFE INSURANCE.—Section 1917 is amended by adding at the end the following new subsection:

''(f)(1) Following the death of the insured and in a case not covered by subsection (d)—

''(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a claim for such payment within two years after the death of the insured, payment may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

''(B) if, within four years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled thereto.

''(2) Payment of insurance under paragraph (1) shall be a bar to recovery by any other person.''.

(b) UNITED STATES GOVERNMENT LIFE INSURANCE.—Section 1952 is amended by adding at the end the following new subsection:

''(c)(1) Following the death of the insured and in a case not covered by section 1950 of this title—

''(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a claim for such payment within two years after the death of the insured, payment may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

''(B) if, within four years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled thereto.

''(2) Payment of insurance under paragraph (1) shall be a bar to recovery by any other person.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2004.

(d) TRANSITION PROVISION.—In the case of a person insured under subchapter I or II of chapter 19 of title 38, United States Code, who dies before the effective date of the amendments made by subsections (a) and (b), as specified by subsection (c), the two-year and four-year periods specified in subsection (f)(1) of section 1917 of title 38, United States Code, as added by subsection (a), and subsection (c)(1) of section 1952 of such title, as added by subsection (b), as applicable, shall for purposes of the applicable subsection be treated as being the two-year and four-year periods, respectively, beginning on the effective date of such amendments, as so specified.

SEC. 104. PAYMENT OF BENEFITS ACCRUED AND UNPAID AT TIME OF DEATH.

(a) REPEAL OF TWO-YEAR LIMITATION ON PAYMENT.—Section 5121(a) is amended by striking ''for a period not to exceed two years'' in the matter preceding paragraph (1).

(b) PAYMENT RECIPIENTS FOR BENEFICIARIES UNDER CHAPTER 18.—Such section is further amended—

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

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) Upon the death of a child claiming benefits under chapter 18 of this title, to the surviving parents.''.

(c) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) in the matter preceding paragraph (1), by striking the comma after ''or decisions'';

(2) by striking the semicolon at the end of paragraphs (1), (2), (3), and (4), and at the end of subparagraphs (A) and (B) of paragraph (2), and inserting a period.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to deaths occurring on or after the date of the enactment of this Act.

TITLE II—BENEFITS FOR FORMER PRISONERS OF WAR AND FOR FILIPINO VETERANS

Subtitle A—Former Prisoners of War

SEC. 201. PRESUMPTIONS OF SERVICE-CONNECTION RELATING TO DISEASES AND DISABILITIES OF FORMER PRISONERS OF WAR.

Subsection (b) of section 1112 is amended to read as follows:

''(b)(1) For the purposes of section 1110 of this title and subject to the provisions of section 1113 of this title, in the case of a veteran who is a former prisoner of war—

''(A) a disease specified in paragraph (2) which became manifest to a degree of 10 percent or more after active military, naval, or air service shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service; and

''(B) if the veteran was detained or interned as a prisoner of war for not less than thirty days, a disease specified in paragraph (3) which became manifest to a degree of 10 percent or more after active military, naval, or air service shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.

''(2) The diseases specified in this paragraph are the following:

''(A) Psychosis.

''(B) Any of the anxiety states.

''(C) Dysthymic disorder (or depressive neurosis).

''(D) Organic residuals of frostbite, if the Secretary determines that the veteran was detained or interned in climatic conditions consistent with the occurrence of frostbite.

''(E) Post-traumatic osteoarthritis.

''(3) The diseases specified in this paragraph are the following:

''(A) Avitaminosis.

''(B) Beriberi (including beriberi heart disease).

''(C) Chronic dysentery.

''(D) Helminthiasis.

''(E) Malnutrition (including optic atrophy associated with malnutrition).

''(F) Pellagra.

''(G) Any other nutritional deficiency.

''(H) Cirrhosis of the liver.

''(I) Peripheral neuropathy except where directly related to infectious causes.

''(J) Irritable bowel syndrome.

''(K) Peptic ulcer disease.''.

Subtitle B—Filipino Veterans

SEC. 211. RATE OF PAYMENT OF BENEFITS FOR CERTAIN FILIPINO VETERANS AND THEIR SURVIVORS RESIDING IN THE UNITED STATES.

(a) RATE OF PAYMENT.—Section 107 is amended—

(1) in the second sentence of subsection (b), by striking ''Payments'' and inserting ''Except as provided in subsection (c), payments''; and

(2) in subsection (c)—

(A) by inserting ''and subchapter II of chapter 13 (except section 1312(a)) of this title'' after ''chapter 11 of this title'';

(B) by striking ''in subsection (a)'' and inserting ''in subsection (a) or (b)''; and

(C) by striking ''of subsection (a)'' and inserting ''of the applicable subsection''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to benefits paid for months beginning after the date of the enactment of this Act.

SEC. 212. BURIAL BENEFITS FOR NEW PHILIPPINE SCOUTS RESIDING IN THE UNITED STATES.

(a) BENEFIT ELIGIBILITY.—Section 107, as amended by section 211 of this Act, is amended—

(1) in subsection (b)(2)—

(A) by striking ''and'' and inserting a comma; and

(B) by inserting '', 23, and 24 (to the extent provided for in section 2402(8))'' after ''(except section 1312(a))'';

(2) in the second sentence of subsection (b), as so amended, by inserting ''or (d)'' after ''subsection (c)'';

(3) in subsection (d)(1), by inserting ''or (b), as otherwise applicable,'' after ''subsection (a)''; and

(4) in subsection (d)(2), by inserting ''or whose service is described in subsection (b) and who dies after the date of the enactment of the Veterans Benefits Act of 2003,'' after ''November 1, 2000,''.

(b) NATIONAL CEMETERY INTERMENT.—Section 2402(8) is amended by striking ''section 107(a)'' and inserting ''subsection (a) or (b) of section 107''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring on or after the date of the enactment of this Act.

SEC. 213. EXTENSION OF AUTHORITY TO MAINTAIN REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 315(b) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2009''.

TITLE III—EDUCATION BENEFITS, EMPLOYMENT PROVISIONS, AND RELATED MATTERS

SEC. 301. EXPANSION OF MONTGOMERY GI BILL EDUCATION BENEFITS FOR CERTAIN SELF-EMPLOYMENT TRAINING.

(a) DEFINITION OF TRAINING ESTABLISHMENT.—Section 3452(e) is amended by striking ''means any'' and all that follows and inserting ''means any of the following:

''(1) An establishment providing apprentice or other on-job training, including those under the supervision of a college or university or any State department of education.

''(2) An establishment providing self-employment on-job training consisting of full-

time training for a period of less than six months that is needed or accepted for purposes of obtaining licensure to engage in a self-employment occupation or required for ownership and operation of a franchise that is the objective of the training.

''(3) A State board of vocational education.

''(4) A Federal or State apprenticeship registration agency.

''(5) A joint apprenticeship committee established pursuant to the Act of August 16, 1937, popularly known as the 'National Apprenticeship Act' (29 U.S.C. 50 et seq.).

''(6) An agency of the Federal Government authorized to supervise such training.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date that is six months after the date of the enactment of this Act and shall apply to self-employment on-job training approved and pursued on or after that date.

SEC. 302. INCREASE IN RATES OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.

(a) SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.—Section 3532 is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''at the monthly rate of'' and all that follows and inserting ''at the monthly rate of $788 for full-time, $592 for three-quarter-time, or $394 for half-time pursuit.''; and

(B) in paragraph (2), by striking ''at the rate of'' and all that follows and inserting ''at the rate of the lesser of—

''(A) the established charges for tuition and fees that the educational institution involved requires similarly circumstanced nonveterans enrolled in the same program to pay; or

''(B) $788 per month for a full-time course.'';

(2) in subsection (b), by striking ''$670'' and inserting ''$788''; and

(3) in subsection (c)(2), by striking ''shall be'' and all that follows and inserting ''shall be $636 for full-time, $477 for three-quarter-time, or $319 for half-time pursuit.''.

(b) CORRESPONDENCE COURSES.—Section 3534(b) is amended by striking ''$670'' and inserting ''$788''.

(c) SPECIAL RESTORATIVE TRAINING.—Section 3542(a) is amended—

(1) by striking ''$670'' and inserting ''$788''; and

(2) by striking ''$210'' each place it appears and inserting ''$247''.

(d) APPRENTICESHIP TRAINING.—Section 3687(b)(2) is amended by striking ''shall be $488 for the first six months'' and all that follows and inserting ''shall be $574 for the first six months, $429 for the second six months, $285 for the third six months, and $144 for the fourth and any succeeding six-month period of training.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2004, and shall apply with respect to educational assistance allowances payable under chapter 35 and section 3687(b)(2) of title 38, United States Code, for months beginning on or after that date.

SEC. 303. RESTORATION OF SURVIVORS' AND DEPENDENTS' EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO FULL-TIME NATIONAL GUARD DUTY.

(a) DELIMITING DATE.—Section 3512(h) is amended by inserting ''or is involuntarily ordered to full-time National Guard duty under section 502(f) of title 32,'' after ''title 10,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 11, 2001.

SEC. 304. ROUNDING DOWN OF CERTAIN COST-OF-LIVING ADJUSTMENTS ON EDUCATIONAL ASSISTANCE.

(a) BASIC EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL.—Section 3015(h) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' after ''(h)'';

(3) by striking ''(rounded to the nearest dollar)'';

(4) in subparagraph (B), as so redesignated, by striking ''paragraph (1)'' and inserting ''subparagraph (A)''; and

(5) by adding at the end the following new paragraph:

''(2) Any increase under paragraph (1) in a rate with respect to a fiscal year after fiscal year 2004 and before fiscal year 2014 shall be rounded down to the next lower whole dollar amount. Any such increase with respect to a fiscal year after fiscal year 2013 shall be rounded to the nearest whole dollar amount.''.

(b) SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.—Section 3564 is amended—

(1) by inserting ''(a)'' before ''With'';

(2) by striking ''(rounded to the nearest dollar)''; and

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

''(b) Any increase under subsection (a) in a rate with respect to a fiscal year after fiscal year 2004 and before fiscal year 2014 shall be rounded down to the next lower whole dollar amount. Any such increase with respect to a fiscal year after fiscal year 2013 shall be rounded to the nearest whole dollar amount.''.

SEC. 305. AUTHORIZATION FOR STATE APPROVING AGENCIES TO APPROVE CERTAIN ENTREPRENEURSHIP COURSES.

(a) APPROVAL OF ENTREPRENEURSHIP COURSES.—Section 3675 is amended by adding at the end the following new subsection:

''(c)(1) A State approving agency may approve the entrepreneurship courses offered by a qualified provider of entrepreneurship courses.

''(2) For purposes of this subsection, the term 'entrepreneurship course' means a nondegree, non-credit course of business education that enables or assists a person to start or enhance a small business concern (as defined pursuant to section 3(a) of the Small Business Act (15 U.S.C. 632(a))).

''(3) Subsection (a) and paragraphs (1) and (2) of subsection (b) shall not apply to—

''(A) an entrepreneurship course offered by a qualified provider of entrepreneurship courses; and

''(B) a qualified provider of entrepreneurship courses by reason of such provider offering one or more entrepreneurship courses.''.

(b) BUSINESS OWNERS NOT TREATED AS ALREADY QUALIFIED.—Section 3471 is amended by inserting before the last sentence the following: ''The Secretary shall not treat a person as already qualified for the objective of a program of education offered by a qualified provider of entrepreneurship courses solely because such person is the owner or operator of a business.''.

(c) INCLUSION OF ENTREPRENEURSHIP COURSES IN DEFINITION OF PROGRAM OF EDUCATION.—Subsection (b) of section 3452 is amended by adding at the end the following: ''Such term also includes any course, or combination of courses, offered by a qualified provider of entrepreneurship courses.''.

(d) INCLUSION OF QUALIFIED PROVIDER OF ENTREPRENEURSHIP COURSES IN DEFINITION OF EDUCATIONAL INSTITUTION.—Subsection (c) of section 3452 is amended by adding at the end the following: ''Such term also includes any qualified provider of entrepreneurship courses.''.

(e) DEFINITION OF QUALIFIED PROVIDER OF ENTREPRENEURSHIP COURSES.—Section 3452 is further amended by adding at the end the following new subsection:

''(h) The term 'qualified provider of entrepreneurship courses' means any of the following entities insofar as such entity offers, sponsors, or cosponsors an entrepreneurship course (as defined in section 3675(c)(2) of this title):

''(1) Any small business development center described in section 21 of the Small Business Act (15 U.S.C. 648).

''(2) The National Veterans Business Development Corporation (established under section 33 of the Small Business Act (15 U.S.C. 657c)).''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to courses approved by State approving agencies after the date of the enactment of this Act.

SEC. 306. REPEAL OF PROVISIONS RELATING TO OBSOLETE EDUCATION LOAN PROGRAM.

(a) TERMINATION OF PROGRAM.—The Secretary of Veterans Affairs may not make a loan under subchapter III of chapter 36 of title 38, United States Code, after the date of the enactment of this Act.

(b) DISCHARGE OF LIABILITIES.—Effective as of the date of the transfer of funds under subsection (c)—

(1) any liability on an education loan under subchapter III of chapter 36 of title 38, United States Code, that is outstanding as of such date shall be deemed discharged; and

(2) the right of the United States to recover an overpayment declared under section 3698(e)(1) of such title that is outstanding as of such date shall be deemed waived.

(c) TERMINATION OF LOAN FUND.—(1) Effective as of the day before the date of the repeal under this section of subchapter III of chapter 36 of title 38, United States Code, all monies in the revolving fund of the Treasury known as the ''Department of Veterans Affairs Education Loan Fund'' shall be transferred to the Department of Veterans Affairs Readjustment Benefits Account, and the revolving fund shall be closed.

(2) Any monies transferred to the Department of Veterans Affairs Readjustment Benefits Account under paragraph (1) shall be merged with amounts in that account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in that account.

(d) USE OF ENTITLEMENT TO VETERANS EDUCATIONAL ASSISTANCE FOR EDUCATION LOAN PROGRAM.—Section 3462(a) is amended by striking paragraph (2).

(e) REPEAL OF EDUCATION LOAN PROGRAM.—Subchapter III of chapter 36 is repealed.

(f) CONFORMING AMENDMENTS.—(1) Section 3485(e)(1) is amended by striking ''(other than an education loan under subchapter III)''.

(2) Section 3512 is amended by striking subsection (f).

(g) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 is amended by striking the items relating to subchapter III and sections 3698 and 3699.

(h) EFFECTIVE DATES.—(1) The amendments made by subsection (d) shall take effect on the date of the enactment of this Act.

(2) The amendments made by subsections (e), (f), and (g) shall take effect 90 days after the date of the enactment of this Act.

SEC. 307. SIX-YEAR EXTENSION OF THE VETERANS' ADVISORY COMMITTEE ON EDUCATION.

(a) MEMBERSHIP.—Subsection (a) of section 3692 is amended in the second sentence by inserting '', to the maximum extent practicable,'' after ''The committee shall also''.

(b) EXTENSION.—Subsection (c) of that section is amended by striking ''December 31, 2003'' and inserting ''December 31, 2009''.

(c) TECHNICAL AMENDMENTS.—That section is further amended—

(1) in subsections (a) and (b), by striking ''chapter 106'' each place it appears and inserting ''chapter 1606''; and

(2) in subsection (b), by striking ''chapter 30'' and inserting ''chapters 30''.

SEC. 308. PROCUREMENT PROGRAM FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

''SEC. 36. PROCUREMENT PROGRAM FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.

''(a) SOLE SOURCE CONTRACTS.—In accordance with this section, a contracting officer may award a sole source contract to any small business concern owned and controlled by service-disabled veterans if—

''(1) such concern is determined to be a responsible contractor with respect to performance of such contract opportunity and the contracting officer does not have a reasonable expectation that 2 or more small business concerns owned and controlled by service-disabled veterans will submit offers for the contracting opportunity;

''(2) the anticipated award price of the contract (including options) will not exceed—

''(A) $5,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

''(B) $3,000,000, in the case of any other contract opportunity; and

''(3) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price.

''(b) RESTRICTED COMPETITION.—In accordance with this section, a contracting officer may award contracts on the basis of competition restricted to small business concerns owned and controlled by service-disabled veterans if the contracting officer has a reasonable expectation that not less than 2 small business concerns owned and controlled by service-disabled veterans will submit offers and that the award can be made at a fair market price.

''(c) RELATIONSHIP TO OTHER CONTRACTING PREFERENCES.—A procurement may not be made from a source on the basis of a preference provided under subsection (a) or (b) if the procurement would otherwise be made from a different source under section 4124 or 4125 of title 18, United States Code, or the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

''(d) ENFORCEMENT; PENALTIES.—Rules similar to the rules of paragraphs (5) and (6) of section 8(m) shall apply for purposes of this section.

''(e) CONTRACTING OFFICER.—For purposes of this section, the term 'contracting officer' has the meaning given such term in section 27(f)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(f)(5)).''.

SEC. 309. OUTSTATIONING OF TRANSITION ASSISTANCE PROGRAM PERSONNEL.

(a) IN GENERAL.—(1) Chapter 41 is amended by adding at the end the following new section:

''§ 4113. Outstationing of Transition Assistance Program personnel

''(a) STATIONING OF TAP PERSONNEL AT OVERSEAS MILITARY INSTALLATIONS.—(1) The Secretary—

''(A) shall station employees of the Veterans' Employment and Training Service, or contractors under subsection (c), at each veterans assistance office described in paragraph (2); and

''(B) may station such employees or contractors at such other military installations outside the United States as the Secretary, after consultation with the Secretary of Defense, determines to be appropriate or desirable to carry out the purposes of this chapter.

''(2) Veterans assistance offices referred to in paragraph (1)(A) are those offices that are established by the Secretary of Veterans Affairs on military installations pursuant to the second sentence of section 7723(a) of this title.

''(b) FUNCTIONS.—Employees (or contractors) stationed at military installations pursuant to subsection (a) shall provide, in person, counseling, assistance in identifying employment and training opportunities, help in obtaining such employment and training, and other related information and services to members of the Armed Forces who are being separated from active duty, and the spouses of such members, under the Transition Assistance Program and Disabled Transition Assistance Program established in section 1144 of title 10.

''(c) AUTHORITY TO CONTRACT WITH PRIVATE ENTITIES.—The Secretary, consistent with section 1144 of title 10, may enter into contracts with public or private entities to provide, in person, some or all of the counseling, assistance, information and services under the Transition Assistance Program required under subsection (a).''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''4113. Outstationing of Transition Assistance Program personnel.''.

(b) DEADLINE FOR IMPLEMENTATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Labor shall implement section 4113 of title 38, United States Code, as added by subsection (a), and shall have employees of the Veterans' Employment and Training Service, or contractors, to carry out that section at the military installations involved by such date.

(c) ADDITIONAL AMENDMENT.—(1) The second sentence of section 7723(a) is amended by inserting ''and taking into account recommendations, if any, of the Secretary of Labor'' after ''Secretary of Defense''

(2) The amendment made by paragraph (1) shall apply with respect to offices established after the date of the enactment of this Act.

TITLE IV—HOUSING BENEFITS AND RELATED MATTERS

SEC. 401. AUTHORIZATION TO PROVIDE ADAPTED HOUSING ASSISTANCE TO CERTAIN DISABLED MEMBERS OF THE ARMED FORCES WHO REMAIN ON ACTIVE DUTY.

Section 2101 is amended by adding at the end the following new subsection:

''(c)(1) The Secretary may provide assistance under subsection (a) to a member of the Armed Forces serving on active duty who is suffering from a disability described in paragraph (1), (2), or (3) of that subsection if such disability is the result of an injury incurred or disease contracted in or aggravated in line of duty in the active military, naval, or air service. Such assistance shall be provided to the same extent as assistance is provided under that subsection to veterans eligible for assistance under that subsection and subject to the requirements of the second sentence of that subsection.

''(2) The Secretary may provide assistance under subsection (b) to a member of the Armed Forces serving on active duty who is suffering from a disability described in subparagraph (A) or (B) of paragraph (1) of that subsection if such disability is the result of an injury incurred or disease contracted in or aggravated in line of duty in the active military, naval, or air service. Such assistance shall be provided to the same extent as assistance is provided under that subsection to veterans eligible for assistance under that subsection and subject to the requirements of paragraph (2) of that subsection.''.

SEC. 402. INCREASE IN AMOUNTS FOR CERTAIN ADAPTIVE BENEFITS FOR DISABLED VETERANS.

(a) INCREASE IN ASSISTANCE AMOUNT FOR SPECIALLY ADAPTED HOUSING.—Section 2102 is amended—

(1) in the matter preceding paragraph (1) of subsection (a), by striking ''$48,000'' and inserting ''$50,000''; and

(2) in subsection (b)(2), by striking ''$9,250'' and inserting ''$10,000''.

(b) INCREASE IN AMOUNT OF ASSISTANCE FOR AUTOMOBILE AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS.—Section 3902(a) is amended by striking ''$9,000'' and inserting ''$11,000''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to assistance furnished on or after the date of the enactment of this Act.

SEC. 403. PERMANENT AUTHORITY FOR HOUSING LOANS FOR MEMBERS OF THE SELECTED RESERVE.

Section 3702(a)(2)(E) is amended by striking ''For the period'' and all that follows through ''each'' and inserting ''Each''.

SEC. 404. REINSTATEMENT OF MINIMUM REQUIREMENTS FOR SALE OF VENDEE LOANS.

(a) REINSTATEMENT.—Subsection (a) of section 3733 is amended by adding at the end the following new paragraph:

''(7) During the period that begins on the date of the enactment of the Veterans' Benefits Act of 2003 and ends on September 30, 2013, the Secretary shall carry out the provisions of this subsection as if—

''(A) the references in the first sentence of paragraph (1) to '65 percent' and 'may be financed' were references to '85 percent' and 'shall be financed', respectively;

''(B) the second sentence of paragraph (1) were repealed; and

''(C) the reference in paragraph (2) to 'September 30, 1990,' were a reference to 'September 30, 2013,'.''.

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking ''of this subsection'' after—

(A) ''paragraph (1)'' in subsections (a)(4)(A), (a)(5), (a)(6), and (c)(2); and

(B) ''paragraph (5)'' in subsection (a)(4)(B)(i); and

(2) by striking ''of this paragraph'' each place it appears in subsection (a)(4).

SEC. 405. ADJUSTMENT TO HOME LOAN FEES.

Effective January 1, 2004, paragraph (2) of section 3729(b) is amended to read as follows:

''(2) The loan fee table referred to in paragraph (1) is as follows:

''LOAN FEE TABLE

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed before January 1, 2004)	2.00	2.75	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2004, and before October 1, 2004)	2.20	2.40	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before October 1, 2011)	2.15	2.40	NA
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2011)	1.40	1.65	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed before January 1, 2004)	3.00	3.00	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2004, and before October 1, 2011)	3.30	3.30	NA
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2011 and before October 1, 2013)	2.15	2.15	NA
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2013)	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before October 1, 2011)	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2011)	0.75	1.00	NA
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before October 1, 2011)	1.25	1.50	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2011)	0.50	0.75	NA
(E) Interest rate reduction refinancing loan	0.50	0.50	NA
(F) Direct loan under section 3711	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)	1.25	1.25	NA
(I) Loan assumption under section 3714	0.50	0.50	0.50
(J) Loan under section 3733(a)	2.25	2.25	2.25''.

SEC. 406. ONE-YEAR EXTENSION OF PROCEDURES ON LIQUIDATION SALES OF DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

Section 3732(c)(11) is amended by striking ''October 1, 2011'' and inserting ''October 1, 2012''.

TITLE V—BURIAL BENEFITS

SEC. 501. BURIAL PLOT ALLOWANCE.

(a) IN GENERAL.—Section 2303(b) is amended—

(1) in the matter preceding paragraph (1), by striking ''a burial allowance under such section 2302, or under such subsection, who was discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or who is a veteran of any war'' and inserting ''burial in a national cemetery under section 2402 of this title''; and

(2) in paragraph (2), by striking ''(other than a veteran whose eligibility for benefits under this subsection is based on being a veteran of any war)'' and inserting ''is eligible for a burial allowance under section 2302 of this title or under subsection (a) of this section, or was discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty, and such veteran''.

(b) CONFORMING AMENDMENT.—Section 2307 is amended in the last sentence by striking ''and (b)'' and inserting ''and (b)(2)''.

SEC. 502. ELIGIBILITY OF SURVIVING SPOUSES WHO REMARRY FOR BURIAL IN NATIONAL CEMETERIES.

(a) ELIGIBILITY.—Section 2402(5) is amended by striking ''(which for purposes of this chapter includes an unremarried surviving spouse who had a subsequent remarriage which was terminated by death or divorce)'' and inserting ''(which for purposes of this chapter includes a surviving spouse who had a subsequent remarriage)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to deaths occurring on or after January 1, 2000.

SEC. 503. PERMANENT AUTHORITY FOR STATE CEMETERY GRANTS PROGRAM.

(a) PERMANENT AUTHORITY.—Subsection (a) of section 2408 is amended—

(1) by striking ''(1)''; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking ''Sums appropriated under subsection (a) of this section'' and inserting ''Amounts appropriated to carry out this section''.

(c) TECHNICAL AMENDMENT TO REPEAL OBSOLETE PROVISION.—Subsection (d)(1) of such section is amended by striking ''on or after November 21, 1997,''.

TITLE VI—EXPOSURE TO HAZARDOUS SUBSTANCES

SEC. 601. RADIATION DOSE RECONSTRUCTION PROGRAM OF DEPARTMENT OF DEFENSE.

(a) REVIEW OF MISSION, PROCEDURES, AND ADMINISTRATION.—(1) The Secretary of Veterans Affairs and the Secretary of Defense shall jointly conduct a review of the mission, procedures, and administration of the Radiation Dose Reconstruction Program of the Department of Defense.

(2) In conducting the review under paragraph (1), the Secretaries shall—

(A) determine whether any additional actions are required to ensure that the quality assurance and quality control mechanisms of the Radiation Dose Reconstruction Program are adequate and sufficient for purposes of the program; and

(B) determine the actions that are required to ensure that the mechanisms of the Radiation Dose Reconstruction Program for communication and interaction with veterans are adequate and sufficient for purposes of the program, including mechanisms to permit veterans to review the assumptions utilized in their dose reconstructions.

(3) Not later than 90 days after the date of the enactment of this Act, the Secretaries shall jointly submit to Congress a report on the review under paragraph (1). The report shall set forth—

(A) the results of the review;

(B) a plan for any actions determined to be required under paragraph (2); and

(C) such other recommendations for the improvement of the mission, procedures, and administration of the Radiation Dose Reconstruction Program as the Secretaries jointly consider appropriate.

(b) ON-GOING REVIEW AND OVERSIGHT.—The Secretaries shall jointly take appropriate actions to ensure the on-going independent review and oversight of the Radiation Dose Reconstruction Program, including the establishment of the advisory board required by subsection (c).

(c) ADVISORY BOARD.—(1) In taking actions under subsection (b), the Secretaries shall jointly appoint an advisory board to provide review and oversight of the Radiation Dose Reconstruction Program.

(2) The advisory board under paragraph (1) shall be composed of the following:

(A) At least one expert in historical dose reconstruction of the type conducted under the Radiation Dose Reconstruction Program.

(B) At least one expert in radiation health matters.

(C) At least one expert in risk communications matters.

(D) A representative of the Department of Veterans Affairs.

(E) A representative of the Defense Threat Reduction Agency.

(F) At least three veterans, including at least one veteran who is a member of an atomic veterans group.

(3) The advisory board under paragraph (1) shall—

(A) conduct periodic, random audits of dose reconstructions under the Radiation Dose Reconstruction Program and of decisions by the Department of Veterans Affairs on claims for service connection of radiogenic diseases;

(B) assist the Department of Veterans Affairs and the Defense Threat Reduction Agency in communicating to veterans information on the mission, procedures, and evidentiary requirements of the Radiation Dose Reconstruction Program; and

(C) carry out such other activities with respect to the review and oversight of the Radiation Dose Reconstruction Program as the Secretaries shall jointly specify.

(4) The advisory board under paragraph (1) may make such recommendations on modifications in the mission or procedures of the Radiation Dose Reconstruction Program as the advisory board considers appropriate as a result of the audits conducted under paragraph (3)(A).

SEC. 602. STUDY ON DISPOSITION OF AIR FORCE HEALTH STUDY.

(a) STUDY REQUIRED.—The Secretary of Veterans Affairs shall, in accordance with this section, carry out a study to determine the appropriate disposition of the Air Force Health Study, an epidemiologic study of Air Force personnel who were responsible for conducting aerial spray missions of herbicides during the Vietnam era.

(b) STUDY THROUGH NATIONAL ACADEMY OF SCIENCES.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall seek to enter into an agreement with the National Academy of Sciences, or another appropriate scientific organization, to carry out the study required by subsection (a).

(c) ELEMENTS.—Under the study under subsection (a), the National Academy of Sciences, or other appropriate scientific organization, shall address the following:

(1) The scientific merit of retaining and maintaining the medical records, other study data, and laboratory specimens collected in the course of the Air Force Health Study after the currently-scheduled termination date of the study in 2006.

(2) Whether or not any obstacles exist to retaining and maintaining the medical records, other study data, and laboratory specimens referred to in paragraph (1), including privacy concerns.

(3) The advisability of providing independent oversight of the medical records, other study data, and laboratory specimens referred to in paragraph (1), and of any further study of such records, data, and specimens, and, if so, the mechanism for providing such oversight.

(4) The advisability of extending the Air Force Health Study, including the potential value and relevance of extending the study, the potential cost of extending the study, and the Federal or non-Federal entity best suited to continue the study if extended.

(5) The advisability of making the laboratory specimens of the Air Force Health Study available for independent research, including the potential value and relevance of such research, and the potential cost of such research.

(d) REPORT.—Not later than 120 days after entering into an agreement under subsection (b), the National Academy of Sciences, or other appropriate scientific organization, shall submit to the Secretary and Congress a report on the results of the study under subsection (a). The report shall include the results of the study, including the matters addressed under subsection (c), and such other recommendations as the Academy, or other appropriate scientific organization, considers appropriate as a result of the study.

SEC. 603. FUNDING OF MEDICAL FOLLOW-UP AGENCY OF INSTITUTE OF MEDICINE OF NATIONAL ACADEMY OF SCIENCES FOR EPIDEMIOLOGICAL RESEARCH ON MEMBERS OF THE ARMED FORCES AND VETERANS.

(a) FUNDING.—(1) The Secretary of Veterans Affairs and the Secretary of Defense shall each make available to the National Academy of Sciences in each of fiscal years 2004 through 2013 the amount of $250,000 for the Medical Follow-Up Agency of the Institute of Medicine of the Academy for purposes of epidemiological research on members of the Armed Forces and veterans.

(2) The Secretary of Veterans Affairs shall make available amounts under paragraph (1) for a fiscal year from amounts available for the Department of Veterans Affairs for that fiscal year.

(3) The Secretary of Defense shall make available amounts under paragraph (1) for a fiscal year from amounts available for the Department of Defense for that fiscal year.

(b) USE OF FUNDS.—The Medical Follow-Up Agency shall use funds made available under subsection (a) for epidemiological research on members of the Armed Forces and veterans.

(c) SUPPLEMENT NOT SUPPLANT.—Amounts made available to the Medical Follow-Up Agency under this section for a fiscal year for the purposes referred to in subsection (b) are in addition to any other amount made available to the Agency for that fiscal year for those purposes.

TITLE VII—OTHER MATTERS

SEC. 701. TIME LIMITATIONS ON RECEIPT OF CLAIM INFORMATION PURSUANT TO REQUESTS OF DEPARTMENT OF VETERANS AFFAIRS.

(a) INFORMATION TO COMPLETE CLAIMS APPLICATIONS.—Section 5102 is amended by adding at the end the following new subsection:

''(c) TIME LIMITATION.—(1) If information that a claimant and the claimant's representative, if any, are notified under subsection (b) is necessary to complete an application is not received by the Secretary within one year from the date such notice is sent, no benefit may be paid or furnished by reason of the claimant's application.

''(2) This subsection shall not apply to any application or claim for Government life insurance benefits.''.

(b) CONSTRUCTION OF LIMITATION ON INFORMATION TO SUBSTANTIATE CLAIMS.—Section 5103(b) is amended—

(1) in paragraph (1), by striking ''if such'' and all that follows through ''application'' and inserting ''such information or evidence must be received by the Secretary within one year from the date such notice is sent''; and

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

''(3) Nothing in paragraph (1) shall be construed to prohibit the Secretary from making a decision on a claim before the expiration of the period referred to in that subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if enacted on November 9, 2000, immediately after the enactment of the Veterans Claims Assistance Act of 2000 (Public Law 106–475; 114 Stat. 2096).

(d) PROCEDURES FOR READJUDICATION OF CERTAIN CLAIMS.—(1) The Secretary of Veterans Affairs shall readjudicate a claim of a qualified claimant if the request for such readjudication is received not later than the end of the one-year period that begins on the date of the enactment of this Act.

(2) For purposes of this subsection, a claimant is qualified within the meaning of paragraph (1) if the claimant—

(A) received notice under section 5103(a) of title 38, United States Code, requesting information or evidence to substantiate a claim;

(B) did not submit such information or evidence within a year after the date such notice was sent;

(C) did not file a timely appeal to the Board of Veterans' Appeals or the United States Court of Appeals for Veterans Claims; and

(D) submits such information or evidence during the one-year period referred to in paragraph (1).

(3) If the decision of the Secretary on a readjudication under this subsection is in favor of the qualified claimant, the award of the grant shall take effect as if the prior decision by the Secretary on the claim had not been made.

(4) Nothing in this subsection shall be construed to establish a duty on the part of the Secretary to identify or readjudicate any claim that—

(A) is not submitted during the one-year period referred to in paragraph (1); or

(B) has been the subject of a timely appeal to the Board of Veterans' Appeals or the United States Court of Appeals for Veterans Claims.

(e) CONSTRUCTION ON PROVIDING RENOTIFICATION.—Nothing in this section, or the amendments made by this section, shall be construed to require the Secretary of Veterans Affairs—

(1) to provide notice under section 5103(a) of such title with respect to a claim insofar as the Secretary has previously provided such notice; or

(2) to provide for a special notice with respect to this section and the amendments made by this section.

SEC. 702. CLARIFICATION OF APPLICABILITY OF PROHIBITION ON ASSIGNMENT OF VETERANS BENEFITS TO AGREEMENTS REQUIRING PAYMENT OF FUTURE RECEIPT OF BENEFITS.

Section 5301(a) is amended—

(1) by inserting ''(1)'' after ''(a)'';

(2) by designating the last sentence as paragraph (2); and

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

''(3)(A) This paragraph is intended to clarify that, in any case where a beneficiary entitled to compensation, pension, or dependency and indemnity compensation enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive such benefit by payment of such compensation, pension, or dependency and indemnity compensation, as the case may be, except as provided in subparagraph (B), and including deposit into a joint account from which such other person may make withdrawals, or otherwise, such agreement shall be deemed to be an assignment and is prohibited.

''(B) Notwithstanding subparagraph (A), nothing in this paragraph is intended to prohibit a loan involving a beneficiary under the terms of which the beneficiary may use the benefit to repay such other person as long as each of the periodic payments made to repay such other person is separately and voluntarily executed by the beneficiary or is made by preauthorized electronic funds transfer pursuant to the Electronic Funds Transfers Act (15 U.S.C. 1693 et seq.).

''(C) Any agreement or arrangement for collateral for security for an agreement that

is prohibited under subparagraph (A) is also prohibited and is void from its inception.''.

SEC. 703. SIX-YEAR EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS.

Section 544(e) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2009''.

SEC. 704. TEMPORARY AUTHORITY FOR PERFORMANCE OF MEDICAL DISABILITIES EXAMINATIONS BY CONTRACT PHYSICIANS.

(a) AUTHORITY.—Using appropriated funds, other than funds available for compensation and pension, the Secretary of Veterans Affairs may provide for the conduct of examinations with respect to the medical disabilities of applicants for benefits under laws administered by the Secretary by persons other than Department of Veterans Affairs employees. The authority under this section is in addition to the authority provided in section 504(b) of the Veterans' Benefits Improvement Act of 1996 (Public Law 104–275; 38 U.S.C. 5101 note).

(b) PERFORMANCE BY CONTRACT.—Examinations under the authority provided in subsection (a) shall be conducted pursuant to contracts entered into and administered by the Under Secretary for Benefits.

(c) EXPIRATION.—The authority in subsection (a) shall expire on December 31, 2009. No examination may be carried out under the authority provided in that subsection after that date.

(d) REPORT.—Not later than four years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the use of the authority provided in subsection (a). The Secretary shall include in the report an assessment of the effect of examinations under that authority on the cost, timeliness, and thoroughness of examinations with respect to the medical disabilities of applicants for benefits under laws administered by the Secretary.

SEC. 705. FORFEITURE OF BENEFITS FOR SUBVERSIVE ACTIVITIES.

(a) ADDITION OF CERTAIN OFFENSES.—Paragraph (2) of section 6105(b) is amended—

(1) by inserting ''175, 229,'' after ''sections''; and

(2) by inserting ''831, 1091, 2332a, 2332b,'' after ''798,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to claims filed after the date of the enactment of this Act.

SEC. 706. TWO-YEAR EXTENSION OF ROUNDDOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS.

Sections 1104(a) and 1303(a) are each amended by striking ''2011'' and inserting ''2013''.

SEC. 707. CODIFICATION OF REQUIREMENT FOR EXPEDITIOUS TREATMENT OF CASES ON REMAND.

(a) CASES REMANDED BY BOARD OF VETERANS' APPEALS.—(1) Chapter 51 is amended by adding at the end of subchapter I the following new section:

''§ 5109B. Expedited treatment of remanded claims

''The Secretary shall take such actions as may be necessary to provide for the expeditious treatment by the appropriate regional office of the Veterans Benefits Administration of any claim that is remanded to a regional office of the Veterans Benefits Administration by the Board of Veterans' Appeals.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5109A the following new item:

''5109B. Expedited treatment of remanded claims.''.

(b) CASES REMANDED BY COURT OF APPEALS FOR VETERANS CLAIMS.—(1) Chapter 71 is amended by adding at the end the following new section:

''§ 7112. Expedited treatment of remanded claims

''The Secretary shall take such actions as may be necessary to provide for the expeditious treatment by the Board of any claim that is remanded to the Secretary by the Court of Appeals for Veterans Claims.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''7112. Expedited treatment of remanded claims.''.

(c) REPEAL OF SOURCE SECTION.—Section 302 of the Veterans' Benefits Improvement Act of 1994 (Public Law 103–446; 108 Stat. 4658; 38 U.S.C. 5101 note) is repealed.

SEC. 708. TECHNICAL AND CLERICAL AMENDMENTS.

(a) MISCELLANEOUS AMENDMENTS.—(1) Section 103(d) is amended—

(A) in paragraph (4)—

(i) in the matter preceding subparagraph (A), by striking ''this subsection'' and inserting ''paragraph (2)(A) or (3)''; and

(ii) in subparagraph (A), by striking ''paragraph (2)'' and inserting ''paragraph (2)(A)''; and

(B) in paragraph (5), by striking ''Paragraphs (2)'' and inserting ''Paragraphs (2)(A)''.

(2) Section 1729A is amended—

(A) in subsection (b), by striking ''after June 30, 1997,'' in the matter preceding paragraph (1);

(B) in subsection (c), by striking paragraph (3);

(C) by striking subsection (e); and

(D) by redesignating subsection (f) as subsection (e).

(3) Section 1804(c)(2) is amended by striking ''subsection'' and inserting ''section''.

(4) Section 1974(a)(5) is amended by striking ''Secretary of Transportation'' and inserting ''Secretary of Homeland Security''.

(b) AMENDMENTS RELATING TO THE JOBS FOR VETERANS ACT.—(1)(A) Subsection (c)(2)(B)(ii) of section 4102A is amended by striking ''October 1, 2002'' and inserting ''October 1, 2003''.

(B) The amendment made by subparagraph (A) shall take effect as if included in the enactment of section 4(a) of the Jobs for Veterans Act (Public Law 107–288; 116 Stat. 2038).

(2) Subsection (f)(1) of section 4102A is amended by striking ''6 months after the date of the enactment of this section,'' and inserting ''May 7, 2003,''.

(c) AMENDMENTS RELATING TO THE ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY.—(1) Section 1322 is amended—

(A) in subsection (a), by striking ''Secretary of Health and Human Services'' and all that follows through the period and inserting ''Commissioner of Social Security, and shall be certified by the Commissioner to the Secretary upon request of the Secretary.''; and

(B) in subsection (b)—

(i) by striking ''Secretary of Health and Human Services'' in the first sentence and inserting ''Commissioner of Social Security'';

(ii) by striking ''the two Secretaries'' and inserting ''the Secretary and the Commissioner''; and

(iii) by striking ''Secretary of Health and Human Services'' in the second sentence and inserting ''Commissioner''.

(2) Section 5101(a) is amended by striking ''Secretary of Health and Human Services'' and inserting ''Commissioner of Social Security''.

(3) Section 5317 is amended by striking ''Secretary of Health and Human Services'' in subsections (a), (b), and (g) and inserting ''Commissioner of Social Security''.

(4)(A) Section 5318 is amended—

(i) in subsection (a), by striking ''Department of Health and Human Services'' and inserting ''Social Security Administration''; and

(ii) in subsection (b)—

(I) by striking ''Department of Health and Human Services'' and inserting ''Social Security Administration'';

(II) by striking ''Secretary of Health and Human Services'' the first place it appears and inserting ''Commissioner of Social Security'';

(III) by striking ''Secretary of Health and Human Services'' the second place it appears and inserting ''Commissioner''; and

(IV) by striking ''such Secretaries'' and inserting ''the Secretary and the Commissioner''.

(B)(i) The heading of such section is amended to read as follows:

''§ 5318. Review of Social Security Administration death information''.

(ii) The item relating to that section in the table of sections at the beginning at chapter 53 is amended to read as follows:

''5318. Review of Social Security Administration death information.''.

SA 2206. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 671, to amend the Harmonized Tariff Schedule of the United States to modify temporarily certain rates of duty, to make other technical amendments to the trade laws, and for other purposes; which was ordered to lie on the table; as follows:

On page 137, between lines 3 and 4, insert the following:

SEC. 1421. TEMPORARY DUTY REDUCTIONS FOR CERTAIN COTTON SHIRTING FABRIC.

(a) CERTAIN COTTON SHIRTING FABRICS.—

(1) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

''	9902.52.08	Woven fabrics of cotton, all the foregoing certified by the importer as suitable for use in making men's and boys' shirts and as imported by or for the benefit of a manufacturer of men's and boys' shirts, subject to the quantity limitations contained in general note 18 of this subchapter (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203)).	Free	No change	No change	On or before 12/31/2005	

9902.52.09	Woven fabrics of cotton, all the foregoing certified by the importer as containing 100 percent pima cotton grown in the United States, as suitable for use in making men's and boys' shirts, and as imported by or for the benefit of a manufacturer of men's and boys' shirts (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203)).	Free	No change	No change	On or before 12/31/2005	''.

(2) DEFINITIONS AND LIMITATION ON QUANTITY OF IMPORTS.—The U.S. Notes to chapter 99 are amended by adding at the end the following:

''17. For purposes of subheadings 9902.52.08 and 9902.52.09, the term 'making' means cutting and sewing in the United States, and the term 'manufacturer' means a person or entity that cuts and sews in the United States.

''18. The aggregate quantity of cotton fabrics entered under subheading 9902.52.08 from January 1 to December 31 of each year, inclusive, by or on behalf of each manufacturer of men's and boys' shirts shall be limited to 85 percent of the total square meter equivalents of all imported cotton woven fabric used by such manufacturer in cutting and sewing men's and boys' cotton shirts in the United States and purchased by such manufacturer during calendar year 2000.''.

(b) DETERMINATION OF TARIFF-RATE QUOTAS.—

(1) AUTHORITY TO ISSUE LICENSES AND LICENSE USE.—To implement the limitation on the quantity of imports of cotton woven fabrics under subheading 9902.52.08 of the Harmonized Tariff Schedule of the United States, as required by U.S. Note 18 to subchapter II of chapter 99 of such Schedule, for the entry, or withdrawal from warehouse for consumption, the Secretary of Commerce shall issue licenses designating eligible manufacturers and the annual quantity restrictions under each such license. A licensee may assign the authority (in whole or in part) to import fabric under subheading 9902.52.08 of such Schedule.

(2) LICENSES UNDER U.S. NOTE 18.—For purposes of U.S. Note 18 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States, as added by subsection (a)(2), a license shall be issued within 60 days of an application containing a notarized affidavit from an officer of the manufacturer that the manufacturer is eligible to receive a license and stating the quantity of imported cotton woven fabric purchased during calendar year 2000 for use in the cutting and sewing men's and boys' shirts in the United States.

(3) AFFIDAVITS.—For purposes of an affidavit described in this subsection, the date of purchase shall be—

(A) the invoice date if the manufacturer is not the importer of record; and

(B) the date of entry if the manufacturer is the importer of record.

On page 263, between lines 11 and 12, insert the following:

SEC. 2007. COTTON TRUST FUND.

(a) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the ''Pima Cotton Trust Fund'', consisting of $32,000,000 transferred to the Pima Cotton Trust Fund from funds in the general fund of the Treasury.

(b) GRANTS.—

(1) GENERAL PURPOSE.—From amounts in the Pima Cotton Trust Fund, the Secretary of Commerce is authorized to provide grants to spinners of United States grown pima cotton, manufacturers of men's and boys' cotton shirting, and a nationally recognized association that promotes the use of pima cotton grown in the United States, to assist such spinners and manufacturers in maximizing United States employment in the production of textile or apparel products and to increase the promotion of the use of United States grown pima cotton respectively.

(2) TIMING FOR GRANT AWARDS.—The Secretary of the Treasury shall, not later than 90 days after the date of enactment of this section, establish guidelines for the application and awarding of the grants described in paragraph (1), and shall award such grants to qualified applicants not later than 180 days after the date of enactment of this section. Each grant awarded under this section shall be distributed to the qualified applicant in 2 equal annual installments.

(3) DISTRIBUTION OF FUNDS.—Of the amounts in the Pima Cotton Trust Fund—

(A) $8,000,000 shall be made available to a nationally recognized association established for the promotion of pima cotton grown in the United States for the use in textile and apparel goods;

(B) $8,000,000 shall be made available to yarn spinners of pima cotton grown in the United States, and shall be allocated to each spinner based on the percentage of the spinner's production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), from pima cotton grown in the United States in single and plied form during calendar year 2002 (as evidenced by an affidavit provided by the spinner), compared to the production of such yarns for all spinners who qualify under this subparagraph; and

(C) $16,000,000 shall be made available to manufacturers who cut and sew cotton shirts in the United States and that certify that they used imported cotton fabric during the period January 1, 1998, through July 1, 2003, and shall be allocated to each manufacturer on the bases of the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during calendar year 2002 (as evidenced by an affidavit from the manufacturer) used in the manufacturing of men's and boys' cotton shirts, compared to the dollar value (excluding duty, shipping, and related costs) of such fabric for all manufacturers who qualify under this subparagraph.

(4) AFFIDAVIT OF SHIRTING MANUFACTURERS.—For purposes of paragraph (3)(D), an officer of the manufacturer of men's and boys' shirts shall provide a notarized affidavit affirming—

(A) that the manufacturer used imported cotton fabric during the period January 1, 1998, through July 1, 2003, to cut and sew men's and boys' woven cotton shirts in the United States;

(B) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased during calendar year 2002;

(C) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

(D) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.

(5) DATE OF PURCHASE.—For purposes of the affidavit required by paragraph (4), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.

(6) AFFIDAVIT OF YARN SPINNERS.—For purposes of paragraph (3)(B), an officer of a company that produces ringspun yarns shall provide a notarized affidavit affirming—

(A) that the manufacturer used pima cotton grown in the United States during the period January 1, 2002, through December 31, 2002, to produce ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during 2002;

(B) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002; and

(C) that the manufacturer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002.

(7) NO APPEAL.—Any grant awarded by the Secretary under this section shall be final and not subject to appeal or protest.

(c) AUTHORIZATION.—There are authorized to be appropriated, and are appropriated out of the amounts in the general fund of the Treasury not otherwise appropriated, such sums as are necessary to carry out the provisions of this section, including funds necessary for the administration and oversight of the grants provided for in this section.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, November 19, 2003, at 9 a.m., in open and possibly closed session, to receive testimony on current Army issues.

COMMITTEE ON ARMED SERVICES

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, November 19, 2003, at 2:30 p.m., in executive session to discuss pending military nominations.

COMMITTEE ON FINANCE

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet in open Executive Session during the session on Wednesday, November 19, 2003; to consider nomination of Arnold I. Havens, to be General Counsel for the Department of the Treasury.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, November 19, 2003, at 9:30 a.m., for a hearing titled ''Agroterrorism: The Threat to America's Breadbasket.''

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor,

and Pensions be authorized to meet in Executive Session during the session of the Senate on Wednesday, November 19, 2003. The following agenda will be considered:

S____, Mammography Quality Standards Reauthorization Act of 2003

S____, Medical Device Technical Corrections Act of 2003

S. 741, Minor Use and Minor Species Animal Health Act of 2003 and Food Allergen Labeling and Consumer Protection Act of 2003 (manager's amendment to be filed)

S. 573, Organ Donation and Recovery Improvement Act

Presidential Nominations

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

COMMITTEE ON THE JUDICIARY

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, November 19, 2003, at 2:30 a.m., on ''Judicial Nominations,'' in the Dirksen Senate Office Building Room 226.

Witness List:

Panel I: Senators.

Panel II: Williams James Haynes II to be United States Circuit Judge for the Fourth Circuit; Louis Guirola, Jr. to be United States District Judge for the Southern District of Mississippi; Virginia E. Hopkins to be United States District Judge for the Northern District of Alabama; and Kenneth M. Karas to be United States District Judge for the Southern District of New York.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. THOMAS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 19, 2003 at 2 p.m. to hold closed Conference on the Fiscal Year 04 Intelligence Authorization.

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

PRIVILEGES OF THE FLOOR

Mr. WYDEN. Mr. President, I ask unanimous consent a legislative fellow in my office, Kevin Vranes, be granted the privilege of the floor during the duration of consideration of the conference report on the Energy bill.

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

Mr. DURBIN. Mr. President, I ask unanimous consent that Dr. Jonathan Epstein, a legislative fellow in Senator BINGAMAN's office, be given floor privileges during the pendency of H.R. 6, the Energy Policy Act of 2003 conference report and any votes thereupon.

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

Mr. AKAKA. Mr. President, I ask unanimous consent that a fellow in my office, Ms. Barbara Peichel, be granted floor privileges for the duration of the consideration of the Energy bill.

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

Mr. INHOFE. I ask unanimous consent Matthew Griles be granted the privilege of the floor during the pendency of this debate.

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

Mrs. CLINTON. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following fellows in my staff: Robyn Golden and William Rom.

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

PRESIDENTIAL MEDAL OF FREEDOM TO POPE JOHN PAUL II

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 313, which is at the desk.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 313) to urge the President, on behalf of the United States, to present the Presidential Medal of Freedom to His Holiness, Pope John Paul II, in recognition of his significant, enduring, and historic contributions to the causes of freedom, human dignity, and peace and to commemorate the Silver Jubilee of His Holiness' inauguration of his ministry as Bishop of Rome and Supreme Pastor of the Catholic Church.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the concurrent resolution be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 313) was agreed to.

The preamble was agreed to.

TEMPORARY EXTENSIONS OF THE PROGRAMS UNDER THE SMALL BUSINESS ACT AND THE SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 1895, introduced earlier today by Senator SNOWE.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1895) a bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958 through March 15, 2004, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Ms. SNOWE. Mr. President, I rise today to support passage of the Small Business Administration Continuation Act of 2003. This bill provides a short-term extension of the Small Business Administration and all of its programs. In particular, it ensures the continuation of the SBA's 504 loan program, Small Business Investment Company program, and other activities currently conducted by the SBA, which must be extended before Congress adjourns this year. I am pleased to be joined by Senator KERRY, the ranking member of the Committee on Small Business and Entrepreneurship, in supporting this bill.

On September 26, 2003, the Senate unanimously approved the Small Business Administration 50th Anniversary Reauthorization Act of 2003, S. 1375, which I introduced as the chair of the Committee on Small Business. That bill provides for the 3-year reauthorization of the SBA and its small business programs, including the 504 loan program and the SBIC program.

The reauthorization bill will continue the SBA's role in assisting American small business to thrive and grow, through the agency's lending, entrepreneurial development, and government contracting programs and services. Most importantly, it will enable the agency to help small businesses continue creating new jobs for our economy. According to the SBA, for the years covered by the reauthorization bill, an estimated 3.34 million jobs will be created or retained as a result of the reauthorization programs.

While the Small Business Administration 50th Anniversary Reauthorization Act provides for the continuation of these programs, the other body has been delayed in its consideration of legislation to reauthorize the agency. The SBA's programs that rely on appropriations will be continued once the Commerce, Justice, State and the Judiciary appropriations legislation for Fiscal Year 2004 is enacted. However, several of the SBA's programs and activities, like the 504 loan and SBIC programs, do not rely on appropriations. As a result, they are in jeopardy of shutting down without the bill before us today, and that's a result America's small businesses simply cannot afford.

I am confident that we can enact legislation to reauthorize the SBA once the other body has completed work on its version of the bill. In the interim, we must ensure that the SBA can continue to offer the entire range of its programs to our nation's small businesses, which are the driving force behind our current economic recovery. With small businesses comprising 99.7 percent of all businesses in the United States, employing 57 percent of the total private-sector workforce, and accounting for approximately 40 percent of the Gross Domestic Product, they deserve nothing less!

The 504 loan program, one of the agency's flagship lending programs, allows small businesses to obtain long-term, fixed-rate financing to purchase

land, buildings, or equipment. In the past four fiscal years, the SBA has provided guarantees for more than 20,000 loans through the 504 Loan Program, for a total of approximately $8.6 billion, and these loans have allowed small businesses to create or retain more than 445,000 jobs.

The SBIC Program utilizes private venture capital, with matching Federal funds, to provide financing to small businesses, many of which have found it difficult to obtain financing from traditional venture capital firms, both because of the businesses' small size and because of difficult economic trends. Since the start of Fiscal Year 1999, small business investment companies supported by the SBA have made more than 15,800 investments in small businesses, with a total value of $16.9 billion. This critical long-term or ''patient'' capital for small businesses has led to the creation and retention of approximately 481,000 jobs during this period.

Both of these programs are critical to our efforts to provide necessary capital to small businesses so that those businesses can provide the jobs and the growth to improve the Nation's economy. In addition, both of these programs rely on fees charged to the program participants, rather than on Federal appropriations, to fund their operation. Because neither program requires any Federal funds, the SBA needs legislative authorization to collect the fees that operate the programs and ensure that they function at a zero subsidy rate. Currently, the authorization for these fees has been temporarily extended under the present continuing resolution.

With the close of the First Session of the 108th Congress rapidly approaching, we must act now to ensure that the SBA and its programs are continued. The bill before us achieves that goal by extending the authorization for the agency and its programs through March 15, 2004. That will provide ample time for the other body to pass its legislation, for us to reconcile the differences, and for the president to sign a long-term reauthorization bill for the SBA.

This legislation is absolutely necessary for America's small businesses. I urge my colleagues to support this bill and thereby ensure that the SBA, and in particular the 504 loan and SBIC programs, will continue to serve small businesses and enable small businesses to obtain the financing they need, as they contribute so greatly to the revitalization of our national economy.

In summary, the Small Business Administration Continuation Act of 2003 is a straight extension of the authorization for the Small Business Administration, SBA, and its programs at their FY 2003 levels through March 15, 2003. Currently, the SBA and its programs are operating under the provisions of the Continuing Resolution. The bill also increases the fee authorization for the Small Business Investment Company, SBIC, program so that it can continue operating at a zero subsidy rate for 2004. The SBIC fee level was increased in the last Continuing Resolution and that increase is merely continued in this bill to avoid statutory interpretation problems.

While the Senate has passed a 3-year reauthorization of the SBA, S. 1375, the House has not completed work on its reauthorization bill. In order to provide time for the House to act and the bills to be reconciled, this bill extends the SBA's authorization on a short-term basis so the agency can continue providing its critical lending, entrepreneurial development, and government contracting programs to the Nation's small businesses.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

● Mr. KERRY. Mr. President, today, as the ranking Democrat of the Committee on Small Business and Entrepreneurship, I join the committee's chair, Senator OLYMPIA SNOWE, in introducing a bill to extend for 4 months—through March 15, 2004—the authority to operate the Small Business Administration's programs. It is our hope that it can be expeditiously considered by the Senate.

Enacting this bill before Congress adjourns for the holidays is critical in order to continue making accessible to small businesses the many needed resources, from long-term loans to technical and contracting assistance, of the SBA. Among those that would be in jeopardy of closing are the agency's loans for growing businesses through what's more commonly referred to as the 504 loan program, certain established Women's Business Centers, the contracting program to assist minority-owned small businesses, the program to provide surety bonds to small contractors through so-called ''preferred sureties'' and one of the agency's venture capital programs.

The agency's 504 program is more important than ever to our small businesses and the economy. The need could not be clearer, with demand for loans up 25 percent in both the number of loans made and the total dollar amount in loans made. As the year came to a close, these loans pumped more than $3 billion into our local economies through thousands of small businesses. Remarkably, making these loans available to small businesses costs the taxpayers nothing because the borrowers, lenders and certified development companies cover costs of the program through fees. While it requires no appropriations to guarantee these loans, continuation of the program depends upon the ability of the lenders to charge fees, which must be specifically permitted by Congress. This program is extremely successful and should absolutely continue. I believe I speak for many when I say that the Congress wants the lending community to continue devoting resources to 504 loans, keeping this affordable financing available to small businesses. We fully intend to provide authorization for 3 years when the SBA's comprehensive reauthorization bill is enacted in early 2004.

I feel just as strongly about the importance of continuing the SBA's venture capital programs. Specifically, we need to make clear that the amount of fees that can be charged to participating securities venture capital firms is increased from 1.38 percent to 1.46 percent. Venture capital has been very scarce over the past few years, and this program has been responsible for more than 50 percent of the number of deals made in this country. In spite of the industry's rough times, the committee is supportive of the Small Business Investment Company programs and wants to see more successes like Staples and Callaway golf lead the way in their industries and create jobs.

Extending the Women's Business Center Sustainability pilot program—which is made permanent in both the House and Senate SBA reauthorization bills—is tremendously important to the 86,000 women business owners across the Nation who use the entrepreneurial development assistance each year. Without the continuation of the agency's authority to operate pilot programs, it is possible that the Small Business Administration could misinterpret Congress's strong support for this pilot and discontinue funding 55 centers in over 40 states, closing over half of the most experienced and active women's business centers. In 1999, when I authored the Women's Business Center Sustainability pilot program, it was my intention to continue the most productive and well-equipped women's business centers, knowing that demand for such services was rapidly growing. Today, with women-owned businesses opening at one-and-a-half times the rate of all privately held firms, the need for women's business centers is even greater. Until Congress makes permanent the Women's Business Center Sustainability Pilot program, as intended in already passed legislation, an extension of authority is vital—not only to the centers themselves, but to the women's business community and to the 18 million workers employed by women-owned businesses around the country.

We also need to ensure the continuation of the agency's contracting assistance. One type of assistance in particular is the Small and Disadvantaged Businesses, SDB, Certification program. It was created to assist small businesses through government contracting, access to capital, management and technical assistance, and export assistance. The program was originally implemented to help Federal agencies reach a 5 percent goal of utilization of these essential businesses incurred to address discrimination and under-utilization of certain firms in Federal contracting.

The positive implications of this program have grown beyond the expectations of even the authors of the original legislation. By supporting these socially and economically disadvantaged businesses, the Federal Government has helped these entrepreneurs revitalize neighborhoods, create jobs, and encourages real, measurable economic growth. The program has shown to be a resounding success, however, a great deal of work still needs to be done. Moreover, the Federal Government has failed to meet the 23 percent government-wide goal for small business utilization in Federal procurement. Agencies have continually failed to meet the goals for socially and economically disadvantaged, women owned businesses, service disabled veteran owned, and HUBZone firms, all of which contribute to the overall 23 percent goal. Part of the problem faced by small businesses participating in these programs and by those attempting to enforce small business utilization goals is the perception that these goals are intended to be a maximum set-aside for small firms. They are not. They are minimum thresholds. The continuation of the SDB program throughout the government will help Federal agencies continue to utilize these small businesses and continue to foster business development and in much needed sectors of the economy.

I would like to make clear that this bill is not intended to interfere with any program, pilot program or authority that has a longer authorization, like the Small Business Innovation and Small Business Technology Transfer programs. If there are any doubts about our intentions, the bill is structured to keep all programs, pilots and initiatives operating that could have expired between September 30, 2003, and March 15, 2003, and to keep them operating as on September 30.

I commend our committee, and the leadership of our chair, Senator SNOWE, for deliberating and passing our comprehensive reauthorization bill in July and look forward to working with our colleagues in the House to pass a final bill in early 2004.●

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the measure be printed in the RECORD.

The bill (S. 1895) was read the third time and passed, as follows:

S. 1895

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

SECTION 1. EXTENSION OF PROGRAM AUTHORITY.

(a) IN GENERAL.—Any program, authority, or provision, including any pilot program, authorized under the Small Business Act (15 U.S.C. 631 et seq.) or the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) as of September 30, 2003, that is scheduled to expire on or after September 30, 2003 and before March 15, 2004, shall remain authorized through March 15, 2004, under the same terms and conditions in effect on September 30, 2003.

(b) EXCEPTION.—Notwithstanding subsection (a), section 303(g)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(2)) is amended by striking ''1.38 percent'' and inserting ''1.46 percent''.

THE 50TH ANNIVERSARY OF THE MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 379, S. Res. 256.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 256) observing the 50th anniversary of the Mutual Defense Treaty between the United States and the Republic of Korea, affirming the deep cooperation and friendship between the people of the United States and the people of the Republic of Korea, and thanking the Republic of Korea for its contributions to the global war on terrorism and to the stabilization and reconstruction of Afghanistan and Iraq.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, all with no intervening action or debate, and that any statements relating to the measure be printed in the RECORD.

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

The resolution (S. Res. 256) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 256

Whereas October 1, 2003, marked the 50th anniversary of the signing of the Mutual Defense Treaty between the United States of America and the Republic of Korea, signed at Washington October 1, 1953, and entered into force November 17, 1954 (hereinafter referred to as the ''Mutual Defense Treaty'');

Whereas the United States and the Republic of Korea have formed a bond through the common struggle against communist aggression;

Whereas more than 34,000 Americans lost their lives fighting in the Korean War, and approximately 37,000 men and women of the United States Armed Forces are still deployed on the Korean peninsula, enduring separation from their families and other hardships in the defense of freedom;

Whereas the Mutual Defense Treaty has been instrumental in securing peace on the Korean peninsula and providing an environment in which the Republic of Korea has become an economically vibrant, free, democratic society;

Whereas the foundation of the Mutual Defense Treaty rests not only on a common adversary, but more importantly on a shared interest in, and commitment to, peace, democracy, and freedom on the Korean peninsula, in Asia, and throughout the world;

Whereas the United States and the Republic of Korea are working closely together to find a diplomatic solution to the threat posed by North Korea's pursuit of nuclear weapons and the export by North Korea of ballistic missiles;

Whereas the Republic of Korea is making valuable contributions to the global war on terrorism, including the contribution of logistics support for international forces operating in Afghanistan;

Whereas the Republic of Korea has pledged $260,000,000 and has already sent 700 military engineers and medical personnel to assist in the United States-led effort to stabilize and reconstruct Iraq; and

Whereas South Korea President Roh Moohyun pledged on October 18, 2003, to dispatch additional troops to work alongside United States and coalition forces in Iraq: Now, therefore, be it

Resolved, That the Senate—

(1) observes the 50th anniversary of the Mutual Defense Treaty between the United States of America and the Republic of Korea, signed at Washington October 1, 1953, and entered into force November 17, 1954;

(2) reaffirms the deep cooperation and friendship between the people of the United States and the people of the Republic of Korea; and

(3) thanks the Republic of Korea for its contributions to the global war on terrorism and to the stabilization and reconstruction of Afghanistan and Iraq.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination on today's Executive Calendar: Calendar No. 321.

NOMINATION DISCHARGED

Further, I ask consent that the Foreign Relations Committee be discharged from further consideration of the following nomination and the Senate proceed en bloc to its consideration: PN1019–2, Robert Goldberg.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Bruce E. Burda

FOREIGN SERVICE

Robert Goldberg

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

ORDERS FOR TOMORROW

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. Thursday, November 20. I further ask that following the prayer and the pledge, the morning hour be deemed to have expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and that the Senate then resume consideration of the conference report to accompany H.R. 6, the Energy Policy Act of 2003.

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

Mr. REID. Mr. President, we worked for several hours this afternoon on the conference on the omnibus. Significant progress was made. The DC title was closed. The VA-HUD title was closed. The Commerce-State-Justice is one open item. But that should be resolved quickly tomorrow, which leaves Agriculture and Labor-HHS.

I think that is what we have left. I think progress was made. Another couple of hours tomorrow and we should be able to finish that. That would bring that very important bill to the floor. At this stage, it appears that Senators STEVENS and BYRD have done an outstanding job, having just dealt with those appropriations bills and not extraneous materials, as some talked about doing.

I think this is something that, in a relatively short period of time, if things continue like this in conference, should not take a lot of floor time.

Mr. FRIST. Mr. President, just to add to the comments of the distinguished assistant minority leader, the Medicare conference, I believe, will be held tomorrow, and most probably tomorrow morning, although I am not sure if a final announcement or determination of the time has been made. It will be made a little later tonight.

Substantial progress has been made on that conference as well. There are a few numbers coming in from CBO over the course of tonight. Once they are back, that conference will be held.

What our colleagues have just heard is that, on the omnibus, substantial progress has been made. And on what we are addressing on the floor—energy—real progress is being made. Also, in terms of Medicare prescription drugs, real progress is being made. People are collaborating. Everybody understands that we will be here probably each day, every day until we finish the Senate's business. After a long day today, we have made real progress.

PROGRAM

Mr. FRIST. Mr. President, for the information of all Senators, tomorrow the Senate will resume consideration of the Energy conference report. A number of Senators did come and participate in the debate today on the Energy conference report, and the Senate will continue that debate into tomorrow's session.

I remind my colleagues that a cloture motion was filed on the conference report during today's session, and that cloture vote will occur Friday morning.

Mr. REID. Mr. President, today we had a very orderly debate in the Senate. We alternated back and forth, unless there wasn't someone on the other side, Democrat or Republican. Senator FEINSTEIN is one who waited around all day to speak. Because of her being part of the conference, she was not able to speak. I wonder if, following Senator DOMENICI, who wishes to speak at 9:30, we can have Senator FEINSTEIN recognized. I alert people that she wishes to speak for up to an hour.

I ask unanimous consent that Senator DOMENICI be recognized at 9:30 for whatever time he may consume and that Senator FEINSTEIN then be recognized for up to 1 hour.

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

Mr. FRIST. Mr. President, I recognize how well things have gone today, and although I haven't talked with Senator DOMENICI, I assume that will be fine for him. Obviously, I did not object. I suspect we will handle the day just that way—going back and forth making sure there is an appropriate amount of time on both sides.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:56 p.m., adjourned until Thursday, November 20, 2003, at 9:30 a.m.

NOMINATIONS

Executive nomination received by the Senate November 19, 2003:

DEPARTMENT OF THE TREASURY

J. RUSSELL GEORGE, OF VIRGINIA, TO BE INSPECTOR GENERAL FOR TAX ADMINISTRATION, DEPARTMENT OF THE TREASURY, VICE DAVID C. WILLIAMS.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 19, 2003:

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. BRUCE E. BURDA

FOREIGN SERVICE NOMINATION OF ROBERT GOLDBERG.

EXTENSIONS OF REMARKS

TRIBUTE TO HELEN PACE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MCINNIS. Mr. Speaker, I rise today to pay tribute to a hardworking woman from my district. Helen Pace has recently retired from Berthod Motors in Glenwood Springs, Colorado after 38 years of service. I join with my colleagues here today in recognizing Helen's dedication and continuous service before this body of Congress.

Helen first started working for Berthod Motors back on October 15, 1965. Back then, Louie and Aline Berthod were the owners of this Glenwood Springs automotive landmark, which was then located in the Tamarack Building on the corner of 10th and Grand Avenue.

Along with her husband Cecil, Helen has played a significant role in establishing the Berthod Motors tradition. Cecil began employment with Berthod in the equipment division back in 1957 and went to work alongside his wife Helen from 1965 until his own retirement in 1994. Helen's career at Berthod began as a warranty clerk, eventually taking over accounts receivable and becoming office manager. Together, Cecil and Helen Pace devoted nearly 75 years of continuous service and commitment to the customers of Berthod Motors. In retirement, Helen plans to make good use of her new Buick Century, already planning a road trip with her husband in the car that she received as a retirement gift.

Mr. Speaker, it is increasingly rare these days that one person would spend close to 40 years devoted to a job they loved. Helen Pace has committed the last 38 years of her life serving the customers of Berthod Motors, a commitment that should not go unrecognized. I join with my colleagues here today in wishing Helen and her husband Cecil joy in their well-deserved retirement.

IN RECOGNITION OF THE 150TH ANNIVERSARY OF THE OBERLIN FIRE DEPARTMENT

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. KAPTUR. Mr. Speaker, this year, the Oberlin, Ohio, Fire Department celebrates its 150th anniversary. Established in 1853, today the department boasts a staff of 30, state-of-the-art equipment, safety and educational programming, and professional recognition. The community has celebrated the sesquicentennial with a parade, summertime events, a traditional firefighter competition featuring an old-fashioned bucket brigade, hose race, and water ball contest, displays and an open house, and culminating in a special dinner this fall.

The mission of the Oberlin Fire Department is ''To proudly protect lives and property by providing prompt, skillful, cost-effective protection and life safety services.'' It is routinely recognized for successfully meeting this mission with the prestigious yearly Life Safety Achievement Award. It serves the 10,000 people of Oberlin and New Russia Township in northeast Ohio with emergency responses, college fire safety courses, school and community educational services, and fire prevention efforts.

For a century and a half, ordinary men and women have conducted themselves with extraordinary bravery as they skillfully guarded the safety of their fellow citizens in Oberlin. I am proud and humbled to represent these fine people, and join with the community in a resounding ''thank you!''

TRIBUTE TO OPEN SPACE PROTECTION IN GRAND COUNTY, CO

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. UDALL of Colorado. Mr. Speaker, I rise today to pay tribute to the Middle Park Land Trust and the Denver Water Department for their efforts in creating an outstanding conservation easement for Colorado's citizens in Grand County, Colorado.

Open space in Grand County and the rest of our state is coming under increasing pressure because of the rapid expansion of Colorado's population. In response, Grand County's elected officials and citizens partnered together to begin a 7-year odyssey to protect and preserve the open ranges, meadows and ridges in the Fraser Valley. Through a series of deed restrictions, conservation easements and open space development, more than 20,000 acres of land are now under some form of protection from development in Grand County.

The Denver Water Department was encouraged to ''donate'' properties they owned because of the efforts of Grand County citizens to raise approximately $6,000 in funds to help cover some of the costs related to monitoring lands in perpetuity and to provide funds to pay legal fees in case the easement is questioned in court.

The Colorado General Assembly partnered in this historic easement by passing legislation that changed tax deductions to tax credits and increasing the value of allowable easements from $100,000 to $260,000, thus encouraging the development of multiple land trusts across the state.

Road and trail easements are now being developed to connect the towns of Fraser and Winter Park while protecting connecting routes and surrounding lands. Once again, citizens in the county, Fraser's local library and county officials have been encouraged in their efforts by the historic conservation easement crafted by Grand County citizens.

The Middle Park Land Trust has had its most successful and productive year. I applaud their innovative conservation efforts and encourage more partnerships like this, not only in Colorado's pristine mountain counties, but throughout the country as we seek to preserve our Nation's beautiful lands for now and for generations to come. Present and future generations will be thankful for the foresight in preserving some of the landscapes such as these in Grand County that inspire, enhance wildlife and recreational opportunities.

I have attached a copy of a local newspaper story about this important effort.

[From the Winter Park Manifest Oct. 29, 2003]

MEADOWS ARE OPEN FOREVER

(By Harry Williamson)

As you take your drive into the Fraser Valley this week, check out the meadows on the west side of Highway 40 just south of Tabernash.

Ignoring a couple of dilapidated, ancient cabins way back in the trees, there's not a spec of building to be seen. It's just horses and the occasional coyote moving among the sagebrush.

And that's the sight you're going to see forever—never a house, never businesses bordering the highway—thanks to a deal finalized by the county, the Middle Park Land Trust and the Denver Water Department.

Completing seven years of work, a conservation easement has been signed that protects the 514 acres, part of the old Stadelman Ranch, from any type of development ever taking place.

In addition, the approximately 300 acres on the east side of the highway is also protected by deed restrictions signed by the landowners that prohibits any building in those meadows. The only land that is not removed from possible future building is the approximately 160 acres at the far north end, just before Tabernash, which is owned by the city of Arvada.

And, the approximately 45 acres of meadow in the Hidden River Ranch subdivision, located just north of the meadows on the west side of the highway is also removed from development by a deed restriction.

So what you see today in those meadows, is pretty much what you're always going to get.

''In all of our surveys concerning what land local residents wanted to see protected, these meadows were always very high on the list,'' said Cindy Southway, Land Trust director.

The easement on the west side meadows was signed between Denver Water and the county, which was assisted by the Land Trust in developing the agreement.

Denver Water also owns the slightly more than 900 acres atop the ridge further west of the meadows, heavily-treed land that the agency likely plans to sell for development.

Commissioner James Newberry said that under the agreement a developer would be able to use the meadows as a portion of the open space required to develop the remainder of the land under the county's Rural Land Use Process, which requires at least 66 percent open space. This type of land development was developed by the county in 1999 as a way to maintain the rural character of the county.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

County officials said that since the land atop the ridge is not included in an urban growth area, as designated by the county's master plan, the only way it can be developed is through the rural land process.

Southway said that if and when the land is sold for development, it is hoped that a new conservation easement could be developed between the new owner and the Land Trust.

''We're in the business of holding these easement, and we could work with that developer to tighten it (the easement) up to get them tax benefits,'' she said.

The effort to get the meadows under easement was started approximately seven years ago by the Land Trust, then called the Grand County Land Conservancy. The idea, however, floundered over the years for various reasons, including Denver Water's hesitance to make what the Land Trust referred to as a ''donation'' to cover some of the cost of ''monitoring the land for perpetuity. Southway added that funds are also needed to be held in reserve to pay legal fees in case the easement is ever questioned in court.

She said that when a landowner balks at making a donation, then the Land Trust does fundraisers to obtain the funds, with approximately $6,000 raised for the Denver Water project.

Newberry said that the county, involved in other discussions with Denver Water, suggested a few months ago that negotiations on the easement possibility be resumed. He said that due to state legislation passed last year counties are now able to hold non-development easements.

''Once Denver Water started talking about it, we got this thing done in record time, considering there was a government entity on the two ends of the deal,'' Newberry said.

He added that the negotiations, once restarted, took just under three months.

Newberry said another agreement has been finalized where Denver Water has donated an easement of an existing old farm road that extends along the bottom of the ridge. He said the county's plan is to make the roadway part of the Fraser Valley Parkway, which has been a concept for the last 20 years as an alternative route to Highway 40. Officials said, once developed, the roadbed would be a 60 feet wide collector road consisting of two lanes.

He said the county has already acquired the necessary right-of-way for the parkway from County Road 522, through two developments near Tabernash and on through, via the Denver Water road, to County Road 50.

Newberry said the county is currently working with the town of Fraser, the library and the people who own the land between County Roads 50 and 73 to identify and purchase a road easement. Once this route, to also include a trail easement, is determined the road would connect with the existing parkway. Plans are for the parkway to then run through a still-to-be-determined route through the Rendezvous subdivision and on through the town of Winter Park.

Southway said 2003 has been a very successful year for the Middle Park Land Trust, which was started in 1995. She said that, during the year, approximately 1,400 acres have either been put under easement or that an agreement is being finalized. She added that its been her agency's most productive year, due in large measure to legislation passed last year that gives Colorado tax credits for land put under a conservation easement.

She explained that the state before was like the federal government where a tax deduction was given.

''The State of Colorado changed to a tax credit, and increased the maximum value of the easement allowable for the credit from $100,000 to $260,000. These tax credits are dollar for dollar, and they're a commodity, they can be sold. This makes it much more attractive for landowners, who retain ownership and use of the land. They just can't develop it,'' she said.

''The exciting thing is that it has been a great year for land trusts all across Colorado,'' she added.

Southway said that there are currently approximately 20,000 acres of land now under some form of non-development easement in Grand County.

TRIBUTE TO JANET WHITCHURCH—RECIPIENT OF THE 2003 ST. MADELEINE SOPHIE BARAT AWARD

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. ESHOO. Mr. Speaker, I rise today to honor Janet Whitchurch, a distinguished Californian, as she receives the 2003 St. Madeleine Sophie Barat Award. This award, named for the foundress of the Society of the Religious of the Sacred Heart, honors individuals who have made extraordinary contributions to Sacred Heart Schools, Atherton, over a significant period of time. Founded in 1897, Sacred Heart Schools includes St. Joseph's School of the Sacred Heart and Sacred Heart Preparatory.

Janet Whitchurch grew up in the San Francisco Bay Area and earned a Bachelor of Arts in Studio Art and a Master of Arts in Painting from Stanford University. She began her teaching career at Sacred Heart Preparatory in 1969 and taught Studio Art, Art History, Freshman History and served as Department Chair. Mrs. Whitchurch left Sacred Heart Preparatory in 1984 but soon realized that she had left her heart at the School. She converted to Catholicism and returned to Sacred Heart in 1995 to continue teaching and cultivating students as Chair of the Fine Arts Department.

Mr. Speaker, I'm proud to honor Janet Whitchurch's work, her values, and her commitment to Sacred Heart Schools and I ask my colleagues to join me in honoring her as she receives the 2003 St. Madeleine Sophie Barat Award for the extraordinary contributions she has made to Sacred Heart Schools.

HONORING CARL AND MIKE LOWELL

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I rise to honor two of South Florida's outstanding citizens, Carl Lowell and his son, Mike Lowell.

Carl Lowell pitched for St. Joseph's University in 1968 and '69 before leaving after his junior year to go to dental school in Puerto Rico. He was named Most Valuable Player of the 1968 team and was an honorable mention on the All-Middle-Atlantic Conference team after going 6–3 with a 2.39 earned run average while striking out 65 batters in 78 2/3 innings. On March 29, 1969, he pitched a no-hitter against Franklin & Marshall, one of just five no-hitters in school history. His career 3.31 ERA is the fourth-lowest in the school's record books.

Carl, pitching for the Puerto Rican national team, beat Cuba in international competition. Carl is of Cuban and German descent and is a strong believer in freedom and democracy. When Cuban dictator Fidel Castro wanted to meet the team and have his photo taken with the players, Carl stayed on the bus instead.

Today, Carl is a prominent and respected dentist in South Florida.

His son, Mike, is the third baseman for the 2003 World Series Champion Florida Marlins and is one of baseball's best hitters. This year he hit 32 homers with 105 runs-batted-in despite missing the last month of the season with a broken hand. He's a 2002 and 2003 All Star and recently won the 2003 National League Silver Slugger Award which is given to the top offensive players at each position, as voted on by major league baseball managers and coaches.

Mike grew up in Miami where he was a high school baseball star and became the heart of the best Coral Gables High team in decades. He made All Dade First Team and was an All State/All Star in 1992.

Mike was offered a full scholarship by Florida International University (FIU) where he excelled and was an Academic All-American.

In 1995, he was drafted by the New York Yankees and quickly moved up the minor league system. His parents had always stressed the importance of a good education, and after being drafted, with some special help from his mother, Beatriz, Mike returned to FIU. Mike had three grade-by-final-exam courses, and Beatriz went to class and took notes for him while he was in the instructional league. He graduated Magna Cum Laude in 1996 with a degree in Finance.

In 1999, he was traded back home to play for the Florida Marlins. However, less than three weeks later, Mike's plans were put on hold by a startling discovery. While undergoing a regular physical examination, Mike was diagnosed with testicular cancer. The surgery and three weeks of radiation were successful, and today he is cancer-free.

On July 20, 2002, Carl had prostate cancer surgery. Mike spent the whole day at the hospital with him, then hit a game-winning home run against the Expos that night. After the game, he said he had dedicated the home run to his father.

Mike created the Mike Lowell Foundation which hosts the Mike Lowell Foundation Charity Golf Classic. All the proceeds from the event are donated to a wonderful charity in South Florida which provides free medical care to low income cancer patients, ''La Liga Contra el Cancer'' (The League Against Cancer) and local sports programs.

A patriot like his father, on April 25, 2000, Mike sat out the game to protest the shameful raid on the home of Elian Gonzalez, further earning the respect and admiration of freedom loving people everywhere.

Mr. Speaker, South Florida is truly fortunate to have these distinguished individuals living in our community. They are fine examples of love, perseverance, patriotism and civic leadership.

HONORING COMMISSIONER JIM CADUE FOR HIS TWENTY YEARS OF SERVICE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. KANJORSKI. Mr. Speaker, I rise today to recognize Jim Cadue for his twenty years of service as a Monroe County Commissioner. He was honored on Friday, November 14, 2003 at the Pennsylvania Room of the Camelback Ski Resort in Tannersville Pennsylvania.

My colleagues, Jim is a Monroe County legend. He is the first person in the county's illustrious history to be elected to five consecutive terms. Jim served as Chairman from 1984 to 1991. In his elected career, Jim has compiled a list of accomplishments that any elected official would be proud to have. He constructed a new 311–bed county correctional facility and expanded the county administration offices. He established a new salary plan and job classification system for 700 full-time county employees.

Jim also led Monroe County to develop and implement an award winning comprehensive plan and a $25 million bond referendum for the purchase of land to be preserved in open space. He also put through an initiative that led to the creation of a corporate office and industrial park totaling 600 acres. Jim also built a new county environmental learning center. He helped save jobs at Tobyhanna Depot and led the effort for a more environmentally friendly solid waste disposal plan. Jim was also the steward for twenty responsible county budgets.

Mr. Speaker, Jim Cadue has spent a lifetime creating opportunity and prosperity for the people of Monroe County and at the same time protecting our natural environment for our children and grandchildren.

Jim is an active leader in national, state and local organizations. He has served as President of the County Commissioners Association of Pennsylvania and Chairman of the National Association of Counties. Locally, he Chairs the Hospice Golf Tournament Committee. Jim is also a member of the Pennsylvania Society, the Lehigh Consistory, American Legion Post #413, the Elks Lodge, and the Pocono Lodge #780 Free and Accepted Masons.

It is no surprise that the honor Jim is receiving Friday is not his first. Jim has received the County Commissioners Association of Pennsylvania's Outstanding Member Award and the Governor's Award for Local Government Excellence from the Pennsylvania Department of Community and Economic Development.

Jim also served our country in the United States Army Military Police, where he attained the rank of Sergeant E–5.

Mr. Speaker, it is a privilege and honor to work with a person who is so committed to building a brighter future in Northeastern Pennsylvania. Jim is a leader who simply gets the job done for his constituents. I ask that my colleagues pay tribute to Monroe County Commissioner Jim Cadue as he receives this well-deserved honor.

TRIBUTE TO RON TAYLOR

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. McINNIS. Mr. Speaker, I would like to take a moment to honor a victim's advocate volunteer who selflessly serves the community of Grand Junction, Colorado. Ron Taylor is a dedicated volunteer who gives of his time to help those in need and I would like to join my colleagues in recognizing his contributions here today.

Ron, a dentist by day, volunteers his nights to aiding victims of crime. Even before an official Colorado victim's program was established, Ron worked as a volunteer with the Chaplain at the Grand Junction Police Department helping crime victims and employees following traumatic incidents. Later, he helped the Mesa County Sheriff's office get their Victims Advocate program off the ground.

Ron is a kind and caring person who is always prepared to help whenever he's needed. He can often be found sacrificing his own comfort and rest to be of service to those who value his generous contributions of time and compassion. In fact, Ron often rises at 3 am to render aid to those in need.

Mr. Speaker, Ron Taylor is a dedicated and compassionate person who devotes most of his free time to assisting those in need. We should all be so lucky to have such an involved person in our community. Ron's enthusiasm and commitment certainly deserve the recognition of this body of Congress.

TRIBUTE TO MAJOR RICHARD W. COOPER, JR., USAF

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. OLVER. Mr. Speaker, I rise to pay tribute to Richard W. Cooper, Jr., a U.S. Air Force Major who conducted missions over Southeast Asia. Major Cooper was the navigator aboard a B–52D Stratofortress bomber out of Westover Air Force Base that participated in Operation Linebacker II, a bombing campaign in the waning days of U.S. involvement in Vietnam. On December 19, 1972, Major Cooper's plane was downed and he was listed as ''Missing In Action'' for over 30 years. Major Cooper was thirty years old. Recently, Major Cooper's remains were found, identified, and returned to the United States. His remains will be buried at 11 a.m. on December 19th, 2003 in Arlington National Cemetery.

Through his service and commitment, Major Cooper was awarded eleven decorations that include the Distinguished Flying Cross; the Purple Heart; the Air Medal with two silver and two bronze Oak Leaf Clusters; the Air Force Outstanding Unit Award; and, the Combat Readiness Medal.

In recognition of his life, the nation owes a deep debt of gratitude to Major Cooper for his courage, heroism, and exemplary service. Our thoughts and prayers are with Major Cooper's family in Holyoke, Massachusetts as they finally lay him to rest.

IN HONOR OF THE 100TH ANNIVERSARY OF THE TEAMSTERS UNION LOCAL NUMBER 20

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. KAPTUR. Mr. Speaker, teamsters Union Local Number 20 celebrates its 100-year anniversary in 2003. For a century, hard-working men and women have come together for the good of the many as they strove to bring their families a better life.

Chartered in 1903, Local 20's first members were icehouse workers. Over the years, four Teamsters Locals came together to form the present-day Local 20, 7,200 members united. Teamsters Local 20 represents members in fifteen counties in Northwest Ohio, including not only truck drivers but nursing home workers, candy makers, and makers of fiberglass. Uniquely, in a truly representational form of operation, stewards from every shop the union represents form the Stewards Council, which sets the policy for the union.

As noted in the union's history, much has changed in the hundred years since Teamsters Local 20 has been chartered: horses were driven rather than trucks, one of two children died in childhood, women were denied the right to vote, there were no child labor laws, no civil rights, no Social Security, no workers compensation, no unemployment compensation, no federal protection for working rights and unions, no workplace safety requirements, no overtime pay or minimum wage, no right to bargain collectively, and no forty hour work week.

The history of our nation's social protection as these basic rights were guaranteed is the history of the Teamsters as well, for their struggles are intertwined with our nation's awakening to social justice. Without Teamster families, and the millions of others in the labor movement, we would yet be in those dark ages of the past. This 100th anniversary is a good time to remind all Americans that we would not enjoy the standard of living we enjoy now without the efforts of united labor. Daniel Webster said, ''Liberty and Union, now and forever, one and inseparable.'' Though he meant these words in another context, their meaning rings true for our own time. It is the union men and women who built this nation, who power it now, and whose prosperity must drive it forward.

I am pleased to recognize the 100th anniversary of Teamsters Local 20, and pay special tribute to its members as we commemorate this milestone. Thank you for your contributions to the labor movement, to our communities, our nation, and our future.

FILNER MOTION TO INSTRUCT THE CONFEREES ON THE ENERGY POLICY ACT OF 2003

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. UDALL of New Mexico. Mr. Speaker, without doubt, I am sympathetic to the purpose behind this motion. I am a staunch supporter of smart environmental regulations, and

I oppose the approach that the Bush Administration has taken toward stripping regulations on clean air and water. However, after speaking with people on both sides of this issue, I have concluded that this motion is not the right approach.

In New Mexico, the Interstate Oil and Gas Compact Commission, with Governor Bill Richardson as the state's representative, is currently working toward model regulations for management of stormwater pollution in the state. In the meantime, the local oil and gas companies continue to follow general guidelines. I am encouraged by the work being done at the state level to address this issue, as I believe it is important to work with all interests to generate a collaborative solution.

Although I will vote in opposition to this nonbinding motion, I continue to be disturbed by many of the provisions in the Energy Policy Act of 2003. Unfortunately, the way this bill has been crafted echoes the practice of the Administration to put corporations before the environment, before public opinion, and before logic that tells us we need to gear our energy policy toward future needs—not toward the profit of industry. The exclusion of Democrats from the entire conference is reason to believe the bill is not as balanced as its authors claim.

I hope that my many concerns are addressed in the final conference report and I look forward to a vote on the final bill.

TRIBUTE TO PAUL WILLIAMS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I take this opportunity to pay tribute to the life of Paul Williams who recently passed away at the age of 90. Paul was a pillar of the Glenwood Springs, Colorado community, and as his family mourns their loss, I think it is appropriate that we remember his life and celebrate his contributions to our nation today.

Paul moved to Colorado in 1937 and in 1941 he married Catherine Ukele, his wife of 62 years. During World War II, Paul answered his country's call to duty and served honorably as a member of the Signal Corps in Africa and throughout Europe. Following the war, Paul returned to Glenwood Springs where he went to work for the City's Municipal Electric Company. An accomplished electrician, Paul used his talents for the betterment of his community. He was among five men who built and erected a lighted cross on red mountain, and he delighted in maintaining the lights of the Glenwood Springs High School football field.

Paul will be remembered as a valued member of the Glenwood Springs community. He was a 35-year member of the Glenwood Springs Volunteer Fire Department, the American Legion, the Eastern Star and the Masonic Lodge. There is no question that Glenwood Springs is a better place as the result of Paul's tireless service.

Mr. Speaker, Paul Williams' dedication and selflessness certainly deserve the recognition of this body of Congress. It is my privilege to pay tribute to him for his contributions to the community of Glenwood Springs and our nation. I would like to extend my thoughts and deepest sympathies to Paul's family and friends during this difficult time of bereavement.

TRIBUTE TO DR. DAVID M. BARTLEY, PRESIDENT OF HOLYOKE COMMUNITY COLLEGE

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. OLVER. Mr. Speaker, I rise today to recognize and honor Dr. David M. Bartley, President of Holyoke Community College, as he retires after twenty-eight years of service.

Under President Bartley's tenure the College's enrollment, budget, and number of employees all doubled in size. He was the driving force in the College's transformation from a small, local college into a regional, academic institution with a strong focus on workforce development and continuing education.

When he took office in 1975, President Bartley initiated a long-range plan to create a thriving and growing college. His persistence resulted in numerous accomplishments over the years, beginning with the establishment of the Holyoke Community College Foundation. The Foundation was the first of its kind in Massachusetts and has allowed the College to permanently endow 50 scholarships for needy students.

The College has also created and expanded programs and services for traditional and nontraditional students that have received national recognition. They include Cooperative Education, Women in Transition, a comprehensive Learning Assistance Center, ESL support, Community Service Learning, a mentoring program for engineering technology students, and a successful, federally funded TRIO program.

President Bartley is particularly proud of the fact that Holyoke Community College has done an outstanding job of serving minority students and the underrepresented in our society. Today, 25 percent of the college's graduates are minorities, 70 percent are women, and 30 percent are men, the exact reverse from when he arrived in 1975.

Holyoke Community College has developed a strong and positive image in western Massachusetts and beyond. President Bartley is in great part responsible for this evolution. He has brought consistent and healthy increases in enrollment and private sector support. He has forged winning partnerships with industry and mentored other educational institutions seeking to emulate his college's success.

In assessing and accrediting Holyoke Community College, the New England Association of Schools and Colleges once remarked that they found the College to be ''dynamic, resilient and forward thinking''. Indeed, the exact same thing can be said for President Bartley and his years of leadership.

I would also like to commend President Bartley on his distinguished career in government. Prior to arriving at Holyoke Community College, he served for twelve years in the Massachusetts House of Representatives. For eight of those years, he held the elected position of Speaker of the House. He was held in high esteem for his accessibility, his deep grasp of issues of public concern, and his sense of fair play.

These qualities helped him make a dynamic transition to leadership in academia. He immediately put all his experiences and skills to work for Holyoke Community College and tens of thousands of graduates have been the beneficiaries.

In recognition of an outstanding career in public service, I ask my colleagues to join me in congratulating President Bartley on his accomplishments and on his retirement.

CONGRATULATING BISHOP TIMLIN, DR. JAMES AND MRS. MARY LOU BURNE ON BEING HONORED BY THE LITTLE FLOWER MANOR AND THE SAINT THERESE RESIDENCE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. KANJORSKI. Mr. Speaker, I rise today to recognize Bishop Timlin, and Dr. James and Mrs. Mary Lou Burne as they are honored by the Little Flower Manor and St. Therese Residence this Friday, November 14, 2003 at the Annual Crystal Rose Dinner at the Woodlands in Wilkes-Barre.

Bishop Timlin is appropriately being honored for his stewardship and tireless support of the Little Flower Manor. His determination and hard work made the Saint Therese Residence a reality. For the past twenty five years his dedication and persistence has provided an opportunity for the aged and infirm to be treated with respect, dignity and compassion.

Mr. Speaker, as the spiritual leader of the Diocese of Scranton, Bishop Timlin has demonstrated that ''together we can move mountains'' and inspired others to join in helping to make Northeastern Pennsylvania the compassionate place that it is.

Jim and Mary Lou are being recognized for their unselfish dedication to many worthy causes. They are co-founders of the Family to Family Thanksgiving Food Basket Program that has served over one hundred thousand needy individuals since 1986. They have also played an active role with the Friends of the Poor, Special Olympics, Youth Association for Retarded Citizens, UNICO, YMCA, and Keystone College.

My colleagues, these individuals devote much of their time and effort to help those who are less fortunate. They are leaders in making their communities a better place to live and work.

Mr. Speaker, it is sincerely a privilege and honor to represent these community leaders who devote themselves to helping others and building a brighter future for Scranton and Northeastern Pennsylvania. I ask that my colleagues pay tribute to Bishop Timlin and Dr. James and Mrs. Mary Lou Burne as they receive this well-deserved honor.

IN HONOR OF JUDGE JOSEPH FLORES

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. KAPTUR. Mr. Speaker, I rise today to pay tribute to a truly remarkable man, The

Honorable Joseph Flores of Toledo, Ohio. Recently retired from the Lucas County Juvenile Court, Judge Flores has graciously served our community for several decades. For many who came to this area, Joe Flores was the first person who greeted them and welcomed them to our community. Whether it was as attorney, mentor, or friend, he was dedicated to helping others recognize their potential.

A proud Mexican American, Joe was born August 2, 1934 to Carmen Ventura and Jose Suarez Flores in Toledo. He graduated from the University of Notre Dame in 1956 with a degree in Political Science. He entered into the United States Navy's Officers Candidate School and completed 52 months of active duty, ending in 1961, having attained the rank of Lieutenant Commander.

While still in the Navy, Joe Flores met his wife, Mary Jane, a naval nurse, and the two were married in 1964. They are the parents of two children, Andre Jose and Maria Carmen. Returning from the Navy, Joe decided to attend law school. He graduated from Ohio Northern University in 1964 and practiced law in Findlay, Ohio for one year.

Moving to Toledo in 1966, Joe practiced law with attorneys Charles Doneghy and Robert Penn. Interestingly, all three became judges. He decided to run for elected office because he enjoyed interacting with people when Judge Doneghy would ask him to help at various events. Joe Flores was elected Judge of the Lucas County Juvenile Court in 1981. ''At that time, few Latinos were part of the legal community. Becoming known as the Judge who could speak Spanish, he ended up being asked to do a variety of translations. Judge Flores is thought to be the first elected Latino Judge in Ohio. Carlos Cordova was an acting judge at the time, but was not elected to the post. Since then, Ohio has had two other Latino Judges, José Villanueva (Cuyahoga County Common Pleas) and Gustalo Nunez (Lorain Municipal Court.)

Recognizing his contributions to the legal profession and the Hispanic community, the Latino Peace Officers Association created the Judge Joseph Flores Award in May 2003. The award will be given annually to a Latino Peace Officer who exhibits exemplary service to the community. The group decided to name the award after Flores due to his instrumental role in integrating the Toledo Police Department with more Latino Peace Officers.

I am pleased to pay special tribute to my friend Judge Flores for his pioneering efforts on behalf of Latinos in Northwest Ohio. Understanding the importance of a representative voice in the local community, he was the first Latino on many boards as he stresses the importance of community involvement for Hispanics/Latinos.

Judge Joseph Flores forged his career with courage and determination, despite facing many obstacles along the way. He blazed the trail where none existed, and his legacy continues to inspire new generations of Latino leaders. Onward!

H.R. 1829—FEDERAL PRISON INDUSTRIES COMPETITION IN CONTRACTING ACT OF 2003

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in support of H.R. 1829, the Federal Prison Industries Competition in Contracting Act of 2003. As a Ranking Member of one of the Small Business Committee's Subcommittees, I take very seriously the importance of small businesses in our economy, as well as the impact of our policies in small businesses.

As we have said time and time again, small businesses are the driving force in our economic recovery. They are the lifeblood of the American economy, creating three out of four new jobs, and representing 99 percent of all employers. This is why we must ensure that small businesses receive the tools that they need to compete in today's competitive marketplace and we must make the playing field as level as possible.

Today, we look at a form of unfair competition for small businesses coming from the federal prison industry. The idea behind FPI is to use work as a means of rehabilitation and to teach inmates a skill, which can be used to put them back on the right track. I strongly support this goal. I'm sure all of my colleagues support this goal, as well. Unfortunately it is not that simple. I believe that this commendable idea of giving individuals a means for a second chance has turned into an industry who's sole focus is not rehabilitation, but turning a profit.

As of fiscal year 2002, FPI brought in $678.7 million in revenue and this would have placed them at 34 out of the top 100 federal contractors for the year. FPI increased their revenue from FY 2001 by more than $95 million. This level of involvement might seem justified. Yet, as FPI becomes a ''Mega'' contractor, it benefits only 15 percent of all federal inmates. Something is not right with this picture.

Over past years, FPI has been able to grow through the use of preferential contracting treatment, exemption from such labor laws as OSHA, minimum wage rates and an endless line of credit from the U.S. Treasury Department. This industry is government owned and operated, and has used these competitive advantages to expand its market share, yet they are competing against private sector companies.

Adding on to these advantages is that FPI are not held to basic standards of product quality or requirements to meet deadlines. This is especially concerning because many of the products that come from FPI are used by the troops in our military, and agencies like FAA that ensure safe transportation. These are areas that cannot afford to be taken lightly. We have an obligation to ensure that the public is safeguarded.

I do believe that we can have the principle of using the federal marketplace as a tool in the rehabilitation process of inmates, but it must be balanced and it must be fair. The current practice is weighted too far in favor of FPI with very little demonstrated benefit, while clearly costing our nation's small businesses jobs and opportunities.

As the main driver of our economy, small businesses deserve a level playing field. In today's competitive market—we cannot overlook an industry that continues to expand while at the same time causing our nation's small businesses to lose valuable opportunities.

It is for these reasons that I support passage of H.R. 1829, and urge my colleagues to do the same.

TRIBUTE TO REVEREND FRANCIS G.S. EVERETT, JR.

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to a man who has served as a mentor in South Carolina's public schools and as a member and pastor of Mount Pisgah Baptist Church in Orangeburg, South Carolina, for more than 30 years.

Reverend Francis G.S. Everett, Jr., spent 23 years at Elloree High School as a teacher and principal and later worked in Orangeburg School District Five. His efforts at community improvement were widely recognized and remain commendable to this day.

The parishioners of Mount Pisgah Baptist Church have strongly supported Reverend Everett as he has lifted up its many ministries and represented the church well in the Mount Pisgah Union, the Orthodox Baptist Association, the Cooperative Baptist Convention of South Carolina, and the Orangeburg Ministerial Alliance. He has also served as a co-chaplain at South Carolina State University, and as a member of the Orangeburg Calhoun Regional Medical Center Chaplain Corp.

An activist for educational advancement, Reverend Everett has served with the Orangeburg-Calhoun Technical College Foundation and South Carolina Board of Directors of the State Chamber of Commerce. He is a member of the Orangeburg Calhoun Retired Education Association, the South Carolina Education Association, the National Education Association, and as a trustee of Morris College in Sumter, South Carolina.

Reverend Everett earned his A.B. and M.S. degrees from South Carolina State University and was awarded the Honorary Doctor of Divinity Degree from Union Baptist Seminary of Birmingham, Alabama.

Reverend Everett is married to Mrs. Althea Hilton Everett of Alcolu, South Carolina. The couple has two children, Ralph and Gwendolyn.

Mr. Speaker, I invite you to join me in paying tribute to this role model to educational and spiritual leaders in our nation. Reverend Everett has developed a life of unwavering commitment to his students, his parishioners and his family and friends. He serves as an inspiration to so many, and I am proud to honor him today.

END OF R.J. REYNOLDS' SPONSORSHIP OF THE WINSTON CUP SERIES

HON. RICHARD BURR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. BURR. Mr. Speaker, I rise today to note the end of an era in motorsports. Sunday's race at Homestead, Miami marked the last NASCAR race that will be run under R.J. Reynolds Tobacco Company's sponsorship and the Winston banner.

Winston Cup and NASCAR have been synonymous for 33 years. Under R.J. Reynolds sponsorship, stock car racing has grown from a regional sport with little national exposure to one with a loyal and global following of millions of fans. More than six million fans attended 39 Winston Cup events this year in 19 states; millions more followed the races, practices, and qualifying sessions on television, radio, and the Internet.

One of the best places to look for examples of the astronomical growth in the sport over the years is in driving winnings: in 1971, Richard Petty won 21 races and took home roughly $300,000. The last Winston Cup Champion, Matt Kenseth, won one race this year—and will take home more than $8 million. Those numbers tell only part of the tale, however. Since its initial involvement with NASCAR, Winston has contributed more than $100 million in point fund money, with $32 million earmarked for the Cup Champions. And perhaps no one can measure the contribution the company's sponsorship has made to the families and communities associated with the sport and its tremendous growth.

Names like Petty, Jarrett, Waltrip, Yarborough, Allison, and Earnhardt. Towns like Bristol, Darlington, Rockingham, and Talladega. Some carried the sport until Winston came along; others owned it while Winston was there; and still others will carry the Winston tradition into the future. The sport under the Winston banner had its heroes, and its heartaches. Some occupy both categories. Fans everywhere will carry their memories of the Winston Cup with them for years to come.

On behalf of NASCAR fans everywhere, Mr. Speaker, I would like to extend my thanks to the men and women of R.J. Reynolds for everything they have done for the sport over the last three decades. It truly was a family affair, and the drivers, the teams, and the fans will miss their love for and commitment to the sport.

Time, however, marches on. NASCAR existed before Winston's sponsorship, and it will continue next year with a new Cup Series sponsor. In the eyes of this Member, though, and countless fans across the country, it will always be the Winston Cup.

TRIBUTE TO JAMES DORR

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MCINNIS. Mr. Speaker, it is with a solemn heart that I take this opportunity to pay tribute to the life of James Dorr who passed away recently at the age of 64. Jim was a pillar of the Steamboat Springs, Colorado community. As his family mourns their loss, I think it is appropriate that we remember Jim's life and celebrate his contributions to our nation today.

Jim's childhood was spent on his family's ranch in the Middle Elk River Valley. After graduating from Steamboat Springs High School, Jim attended Colorado State University where he joined the ROTC program. Upon graduation from college, Jim was commissioned as a second lieutenant in the United States Air Force and entered pilot training in 1962. He was stationed at Laughlin Air force Base in Del Rio, Texas, where he trained to be an expert pilot of the B-52 bomber.

In 1964, Jim married Margaret Eskeldson, who would be his wife of forty years. He answered his country's call to duty and went on to serve during the Vietnam conflict as the pilot of a bomber crew that logged 120 combat missions. In a time of war, Jim's courage, conviction and patriotism shone through, proving him to be a true hero. By war's end, Jim's service had earned him the rank of Major, as well as numerous decorations.

Upon returning to Steamboat Springs, Jim continued his service to our nation through volunteer work. He was an active member of the American Legion and the Veterans of Foreign Wars. With the Veterans of Foreign Wars, Jim served as a Commandant for two terms and was instrumental in spearheading a program to create a scholarship for veterans' dependents.

Mr. Speaker, Jim Dorr's dedication and selflessness certainly deserve the recognition of this body of Congress and this nation. It is my privilege to pay tribute to him for his many contributions to the community of Steamboat Springs and our nation. I would like to extend my thoughts and deepest sympathies to Jim's family and friends during this difficult time of bereavement.

ACKNOWLEDGING AN INNOVATIVE BOULDER COUNTY COOPERATIVE PLANNING AGREEMENT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. UDALL of Colorado. Mr. Speaker, I rise today to acknowledge an innovative and significant agreement between the various communities in Boulder County, Colorado. Working together in a spirit of cooperation, the nine municipal communities in the county came together with Boulder County to produce this agreement which will help promote wise planning and smart growth management and thereby preserve the quality of life in the county and these communities.

Called the Boulder County Countywide Coordinated Comprehensive Development Plan Intergovernmental Agreement (or the Super IGA), this plan was signed on October 16, 2003 by Boulder County and the communities of Boulder, Erie, Jamestown, Lafayette, Longmont, Louisville, Lyons, Nederland and Superior.

In Colorado, as in many States, intergovernmental agreements are typically created to address common management issues between neighboring communities. With this Super IGA, communities within the entire county have come together to address common concerns and issues and have established a roadmap for the benefit of all residents of the county.

Over the past few years, county and city officials labored to come to terms on an accord that outlines growth boundaries for development, provides land use regulations that prevent growth into hazardous areas like flood plains, and designates buffer zones between communities. An IGA of this magnitude, across nearly 800 square miles, consisting of a dozen different municipalities, and encompassing over 300,000 people, is a remarkable achievement.

This Super IGA is based on more than 10 underlying plans that inherently permit flexibility through an open amendment process. It is that basic flexibility that will likely drive this 20 year agreement, allowing the various governing bodies to strive for their individual success, yet within the framework of a larger consensual accord.

This innovative and forward-looking approach to planning and growth management is indeed exciting. Clearly, as this is a new approach, we all are watching this carefully and hope that it is successful. But its very creation shows that communities can come together and work toward common goals. Boulder County and these communities have embarked on an approach which I hope will continue to foster positive intergovernmental relationships, and strengthen the sense of our collective community. It's an example of the things that local communities can do to make sure that growth and development complement the needs and desires of citizens and local communities.

Mr. Speaker, I ask my colleagues to join me in honoring the creators of this Boulder County Super IGA, and in wishing them continued success. For our colleagues' information, I am attaching an article from the Colorado Daily newspaper.

[From the Colorado Daily, Oct. 16, 2003]

''SUPER IGA NOW RULES LOCAL LAND USE IN BOULDER

(By Richard Valenty)

Mayors from Boulder County municipalities joined Boulder County Commissioners in signing the Boulder County Countywide Coordinated Comprehensive Development Plan Intergovernmental Agreement Thursday at A Spice of Life Event Center in Boulder.

Fortunately, the document has a short name, the ''Super IGA.'' The Super IGA partially coordinates at least ten smaller Intergovernmental Agreements (IGA), called Underlying Plans.

IGA's, in general, often involve land use regulations to prevent situations like development in naturally hazardous areas like flood plains, or to manage growth by creating buffers of open space between communities. For example, the Boulder Valley Comprehensive Plan is a joint land use plan between the city and county of Boulder, thus is an IGA between the two entities.

''These IGA's are sort of a shared vision by the county and by various cities and towns about where growth will happen, and what parts of the county we want to see remain rural in the future,'' said Ron Stewart, Boulder County Commissioner.

Representatives of the city of Boulder, Boulder County, Lafayette, Longmont, Louisville, Erie, Jamestown, Lyons, Nederland and Superior signed the Super IGA. The town of Ward is not participating, since federal

lands and county open space surround it and therefore urban sprawl is not a concern.

According to Stewart, the Super IGA agreement is the culmination of years of hard work.

''I've been working on this for about the last three years,'' said Stewart. ''Also, the city managers and administrators throughout the county have been very helpful in putting this together. Every city council in the county ultimately voted in favor of this. Our county attorney told me that by the time we got it done, it was on its 30th draft.''

The City of Lafayette was the last county municipality to agree to be part of the Super IGA. According to Stewart, it was difficult to create a draft that would satisfy everybody.

''Lafayette simply had more concern about the agreement than other cities, and it took us longer than others to work those issues out,'' said Stewart. ''After the drought last year, they wanted assurance that they could build new reservoirs for water storage.''

Not all of Boulder County was covered by an IGA before Thursday, but the Super IGA contains a clause to ''cover additional unincorporated areas not covered by any Underlying Plan.''

''The Super IGA covers additional territory in the county that would have been outside the area of those agreements,'' said Stewart.

The Super IGA document is also designed to limit annexation plans of one entity from encroaching on another entity's Influence Areas, according to the document.

''The Super IGA says that everyone will respect each other's planning area, and that one town isn't going to be providing utility services in somebody else's planning area,'' said Stewart. ''It's the kind of commitment to planning and to a shared vision that allows us to keep the quality of life that we have in Boulder County.''

Stewart added that Boulder residents should not fear situations like the city of Jamestown trying to influence the Boulder Valley Comprehensive Plan, since Underlying Plans would only be amended by members of the underlying IGA.

''No group or committee is created out of the formation of the Super IGA,'' said Stewart. ''If anyone wants to change a land use designation, the various underlying IGAs would have to be amended. In our Comprehensive Plan, the city and county of Boulder could change it without the approval of the rest of the Super IGA.''

Also, the Super IGA states that additional issues such as sales tax revenue sharing, affordable housing and library services could eventually become parts of regional agreements.

''There isn't any serious talk of revenue sharing right now,'' said Stewart. ''That paragraph is meant to state that there is additional work that could be done in terms of regionalism.''

James Burrus, Boulder County media information officer, called the signing of the Super IGA ''truly historic.'' Burrus indicated that this is the only agreement of its kind in Colorado, and Stewart believes it has some national significance as well.

''There are places in America where they do this kind of planning, setting urban growth boundaries, but these are places where the law requires it to happen,'' said Stewart. ''The historic thing here is that nobody required anybody to do this. It was done voluntarily.

''This is really a statement that even in a state like Colorado, where land use laws don't encourage a lot of cooperation, we were all able to get on the same page on a voluntary basis,'' said Stewart.

IN HONOR OF MOTHER TERESA OF CALCUTTA

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. KAPTUR. Mr. Speaker, on October 19, 2003, Roman Catholics, humanitarians, and social justice advocates the world over celebrated the beatification of Mother Teresa of Calcutta by Pope John Paul II in Rome. Beatification is one of the steps toward sainthood in the Roman Catholic Church.

It is impossible to encapsulate the life and work of Mother Teresa into one entry. Many know the basics of her story: born in Albania in 1910, she turned from a comfortable existence when she decided to become a Catholic nun in 1928. Assigned to a convent school in Calcutta, she taught geography and history. Feeling the need to serve God and her fellow human beings in another way, Mother Teresa founded a religious order, the Missionaries of Charity, in, 1948. The order was based on reaching out to the poor, the suffering, and the dying wherever they were: streets and alleys, shacks and hovels. From that first mission there are now more than 400. The work has expanded to hospices for AIDS patients so that these sufferers, along with the least among us, enjoy comfort and some measure of peace in their final days. Though 5,000 sisters are now members of the order, thousands more volunteer for periods of their lives in the Missionaries of Charity. So many of these are inspired by the diminutive foundress herself. ''My vocation is love'' she said. ''There is joy in transcending self to serve others.''

Celebrated throughout the world for her works, honored with many awards including 1979's Nobel Peace prize, Mother Teresa is already considered a saint by many of those whose lives she touched. No one who met her, who shook her strong hands, who looked at the deeply wrinkled face, who spoke to the dark eyes which penetrated into one's soul, who listened to the deep and powerful voice, came away from the encounter the same person. Even people who saw her only casually were moved by her graceful strength and quiet dignity. I am reminded of a leader in our own country recalling a story of a time on an airplane when people saw her and took out their checkbooks. She never said a word, simply her presence called them to help. In more dramatic ways, meetings with Mother Teresa changed the course of people's lives. Still, she eschewed such trappings of notoriety, gaining her greatest sustenance from her love of God and her work to alleviate the suffering in the world. More than anyone else in our time, Mother Teresa lived Christ's admonition ''Whatsoever you do to the least among you, that you do also to me.'' She ignored the accouterments of affluence by admonishing, ''God does not ask me to be successful, he only asks me to be faithful.''

She wrestled within herself and struggled through daily hardships, yet she somehow transcended the difficulties and was cherished as a living embodiment of God's love for every human being. I close this recognition of Mother Teresa's beautification with her own summation of her life's work: ''My community is the poor. Their security is my own. Their heart is my own. My house is the house of the poor—not just the poor, but the poorest of the poor: those who are so dirty and full of germs that no one goes near them; those who do not go to pray because they are naked; those who do not eat because they do not have the strength; those who collapse on the sidewalks knowing they are about to die while the living walk by without even looking back; those who do not cry because they have no more tears left.''

In one's own lifetime, rarely does a person observe a living saint. Mother Teresa will remain for all time such a living legend. May her selflessness inspire a world beleaguered by war, affluence, and ancient hatreds.

CONFERENCE REPORT ON H.R. 1588, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

SPEECH OF

HON. RICHARD BURR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 2003

Mr. BURR. Mr. Speaker, with the passage of the conference report on H.R. 1588 today, we have taken a great step forward in the defense of our homeland and the support of our military forces. Not only are we equipping our military with the tools and resources they need to carry out their missions today, we are also providing for the research and development necessary to meet future threats.

I am particularly pleased to see that the House and Senate have seen fit to include a long-awaited agreement regarding concurrent receipt for our disabled veterans. While I regret that we could not provide the full benefits for all of our disabled military veterans, I am encouraged that we are providing full receipt of both retirement and disability pay to more veterans than have ever been previously allowed by law. This Congress has achieved something that hasn't been seen in any previous Congress. I am hopeful that in the coming years we can expand this important benefit for our veterans.

Additionally, Mr. Speaker, I am encouraged to see that the benefits of TRICARE have been extended to our National Guardsmen and Reservists and their families. All too often, many of these families are unable to meet their premium payments for private insurance when a family member is called away to serve his or her country. With this provision, we will be providing the health care that our soldiers' families need.

I am pleased to see that reform of the procurement and acquisitions process to the benefit of small businesses is also included in the conference report. It is certainly my desire to see our military receive only the best equipment and services, but not without allowing our nation's small businesses the chance to compete and to offer quality services or innovative products.

Mr. Speaker, our safety and freedom ultimately relies on our troops. I am glad that this legislation provides a strong across the board pay raise and other important provisions for our men and women in uniform and their families. I am deeply grateful for the sacrifices our troops make every day in the name of freedom, and am pleased the House was able to pass it today.

Unfortunately, I was unable to be present for the vote on this conference report due to a visit to my district by President Bush. Had I been present, I would have voted ''yea'' on agreeing to the conference report.

TRIBUTE TO BRIGETTE BALET

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MCINNIS. Mr. Speaker, it is my honor to rise and pay tribute to a remarkable young woman from my district. Brigette Balet from Montrose, Colorado sacrificed her summer break to assist friends in need. For her service, Brigette recently received the Key Citizens Award from the City of Montrose and I am proud to join the citizens of Montrose in recognizing Brigette's contributions before this body of Congress here today.

Last summer, Susan and Paul Beaston lost their home to fire. Without being asked, Brigette donned a mask and set to work helping the Beastons clean up the mess. Throughout the summer, and into the fall, Brigette worked tirelessly to clean the home and itemize the damage.

Brigette's service to the Beastons illustrates her selfless and altruistic nature. It is truly a tremendous young woman who is willing to forego a summer vacation to work in a soot and smoke filled home.

Mr. Speaker, I am proud to rise and pay tribute to Brigette Balet. She is an amazing young woman with a bright future and a fine example to young people everywhere. I would like to join the Beastons and the Montrose community in congratulating Brigette on a well-deserved award.

TRIBUTE TO MRS. LELER VIRGINIA SCARBOROUGH GEORGE

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to one of my constituents, Mrs. Leler Virginia Scarborough George, who celebrated her 100th Birthday on November 16, 2003. Mrs. George, whose life has reflected not only her exemplary character, courage and commitment to family, but also a dedication to the education of her children, her faith and an untiring work ethic.

Mrs. George was born on November 16, 1903, to Samuel and Lydia Scarborough of Lee County in Bishopville, S.C. Later, Mrs. George married Jimmy George from Wysacky, SC. They purchased their first home on 75 acres of land, which Mrs. George still owns today. Mr. and Mrs. George placed great importance on educating their children and found the resources to send them to Mayesville Institute, a private, boarding school attended by the incomparable civil and human rights pioneer Mary McLeod Bethune. Despite grave challenges, the Georges successfully balanced the financial demands of schooling their children and running a farming operation.

At the young age of 45, Mr. Jimmy George suddenly passed away, leaving Mrs. George with eight children to raise and a ninth child on the way. With undaunted courage, Mrs. George resolved to hold on to their home and farm, and continue pursuing their shared dreams. Mrs. George demonstrated her business acumen and success as a farmer by converting the horse and plow operations she inherited to a completely mechanized farm. In 1983, she was named by the Smithsonian Museum as head of one of the eight outstanding farm families in America.

Mrs. George's greatest legacy and contribution to society are the self discipline and burning desire for education that she instilled in each of her children. All nine of whom went to college and received graduate degrees. Their achievements against remarkable odds attest to the determination and sacrifices of Mrs. George. Her oldest son, James, now deceased, attended Morris College, owned several businesses, and served as director of Training and Rehabilitation for the City of Sumter; Rosella G. Toney, now retired, was an Assistant Principal at Bishopville High School; Mary G. Hopkins, served as a college librarian at Virginia State University and retired as head librarian for Franklin County Middle School in Rocky Mount, VA; Dr. Ruth G. Kennedy retired from North Carolina Central University as an Associate Professor of English and served for a year as Executive Assistant to the Interim Chancellor; Ivorie Lowe retired as Dean of Girls at Bloom Township High School in Chicago, IL; Arthur L. George, formerly an educator with both local schools and the University of South Carolina at Spartanburg, retired as a sales manager with Prudential Insurance Company and presently serves as Senior Chaplain for the Fairfax County Adult Detention Center in Virginia; Kershaw George, a former University of South Carolina Administrator in Admissions, has become an entrepreneur; Dr. Eugene George, formerly an Assistant Professor of Education at the University of South Carolina and Associate Superintendent of Richland School District #1, is presently a school principal in Columbia; Doris Baskette, a former school principal, is now a principal leader and mentor with the South Carolina Department of Education.

A dedicated and lifelong member of St. Mark Baptist Church, Mrs. George received St. Mark's ''Mother of the Church'' honor this year. An active member, she has served as president of the Missionary Society and Floral Club, Treasurer of the Sunday School, and member of the Usher Board. She maintains her political activism through her membership with the National Council of Negro Women.

Mr. Speaker, Mrs. George's 100th birthday marks a life of stellar achievements, and she is still going strong. There is no question that Mrs. Leler Virginia Scarborough George is a role model for all of us, and ask you and my colleagues to join me in wishing her Godspeed.

MISSED ROLLCALL VOTES

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. BEREUTER. Mr. Speaker, on November 17, 2003, this Member unavoidably missed Rollcall Votes Number 620, 621, 622, 623, 624 due to official business off the Hill. Had this Member been present, this Member would have voted ''aye'' on these rollcall votes on three suspensions and one procedural vote. The three suspensions were S. J. Res. 22, a resolution recognizing the Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research; S. J. Res. 18, a resolution commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years; and H. Con. Res. 299, a resolution honoring Mr. Sargent Shriver for his dedication and service to the United States of America, for his service in the United States Navy, and for his lifetime of work as an ambassador for the poor and powerless citizens of the United States of America. The fourth vote was a procedural motion changing the hour of meeting for Tuesday, November 18, 2003.

CONFERENCE REPORT ON H.R. 1588, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

SPEECH OF

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 2003

Mr. UDALL of New Mexico. Mr. Speaker, today, with our soldiers in harm's way around the globe, and as seemingly constant reports come on the television of brave men and women either killed or wounded, I rise in support of the FY04 National Defense Authorization Act conference report. This important legislation provides much-needed pay increases for our troops, as well as authorizes funding for important construction projects at New Mexico's military bases. This is, however, far from perfect legislation and I have very serious concerns about several provisions included in this year's bill. This legislation has traditionally been free of highly controversial issues, which, unfortunately, have found their way into this year's authorization.

I would first like to touch on the exemptions to the Endangered Species Act (ESA) and Marine Mammal Protection Act (MMPA) that were included in this legislation. I was a conferee on this section of the bill and believe that the exemptions included in the conference report do not strike an adequate balance between maintaining a level of high military readiness, which I strongly support, and protecting at-risk species.

The DOD argues that the existing national security exemptions in our environmental laws are not good enough for the military, even though the GAO found that claim was without basis. The DOD Authorization Conference Report creates a far weaker and unwarranted regulatory process for the Navy. Therefore, Mr. Speaker, we should have rejected the exemptions to the ESA and MMPA. As Mr. Rumsfeld acknowledged in Qatar, we have the ''best trained, best equipped and finest troops on the face of the earth.'' Considering this, the military exemptions this legislation creates are unnecessary and should have been struck from the Report.

Another issue that I believe is inadequately addressed in the report before us today has to do with the Disabled Veterans Tax, also known as concurrent receipt. This conference report includes a Republican proposal that would only partially end the tax, thereby leaving out two-thirds of military retirees affected by the tax and forcing those covered to wait 10 years for full benefits. Mr. Speaker, since I have been in Congress, I have cosponsored H.R. 303, to provide full concurrent receipt for all veterans eligible for both retirement and disability pay; I have signed the discharge petition to get H.R. 303 on the floor; I have signed numerous letters on this topic; and I strongly support ending this inequitable situation. For that reason, since I support a total fix to this unfair tax, today I will be supporting the Democratic motion to recommit the conference report with instructions to report it back with the complete elimination of the Disabled Veterans Tax.

The conference agreement also contains a number of dangerous provisions relating to the development of a new generation of nuclear weapons. The agreement authorizes the administration's request of $15 million for research on the nuclear ''bunker buster,'' the Robust Nuclear Earth Penetrator, plus $6 million for ''advanced concept initiatives.'' I strongly oppose these provisions. Instead of building new nuclear weapons, I believe we should fund weapons that have just as strong a deterrent capability, but do not encourage new uses for nuclear weapons or encourage a new nuclear arms race.

Mr. Speaker, I voted against H.R. 1588 when it first passed the House because of many of the provisions I just discussed. However, even during its first time through the House, I supported the across-the-board 4.15 percent pay increase for military personnel, and I strongly support these provisions again as it is included in the conference agreement.

However, there are a few provisions in particular that I strongly support which were not included in the initial House version of the Defense Authorization legislation. Now that they are included in the conference report, I will be voting in support of this conference agreement today.

One provision not included in the House version, but one that I have been working hard to ensure it is included in the conference report, is authorization of $9 million for Cannon Air Force Base located in my district in Clovis, New Mexico. $7.7 million of this $9 million would be used to construct a much-needed new Aerospace Ground Equipment (AGE) Complex and $1.3 million would be used to install a permanent Simplified Short Approach Lighting System (SSALS) with sequenced flashers on a runway at the air force base. These are both very important upgrades that will improve the safety of our troops stationed at Cannon Air Force Base and, in turn, help improve the safety of our nation.

One other provision that has helped sway me to support passage of this authorization is making an additional 12,000 legal permanent reservists who serve in the military eligible to apply to become U.S. citizens after a year of service for citizenship in the United States. I believe that if immigrants are willing to serve in war, then a grateful nation should give them what they are fighting for, American citizenship.

Mr. Speaker, clearly there provisions that are both good and bad. In a bill this size, it is inevitable that this is the case. As such, because I believe the conference agreement includes important provisions that were not included in the House version of the bill, I will be voting in support of passage of this important legislation. With our men and women overseas in harms way, supporting this bill with its important pay raises for them and their families is a fitting way to show our support for them.

PERSONAL EXPLANATION

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. BLUMENAUER. Mr. Speaker, had I been present for the following votes on November 17, 2003, I would have voted as follows:

Rollcall vote 620; I would have voted ''yea'' on S.J. Res. 22, recognizing the Agricultural Research Service of the Department of Agriculture for 50 years of service to the Nation.

Rollcall vote 621; I would have voted ''yea'' on S.J. Res. 18, commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years.

Rollcall vote 622; I would have voted ''yea'' on H. Con. Res. 299, honoring Mr. Sargent Shriver for his dedication and service to the United States of America.

Rollcall vote 623; I would have voted ''yea'' on the motion to change the hour of meeting.

AMERICA'S PRIVATE SECTOR AIDS CIVIC EDUCATION EFFORT, VOTER PARTICIPATION

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. ANDREWS. Mr. Speaker, a recent Gallup poll that asked Americans what keeps our country strong found some very interesting results. While 67 percent identified ''willingness to serve in the military'' as important to keeping America strong, 84 percent and 86 percent, respectively, identified ''high level of voting (in national elections)'' and ''having a well-educated populace''. Yet other polls show that our citizens' civic knowledge is low and that our voter participation is among the lowest in the world.

A number of Americans, from my district and from virtually every other district across the country, are undertaking a major effort to keep our country strong, according to the definition expressed in the Gallup poll. They are working to keep Americans well educated about civic matters and to encourage citizen participation in our democracy.

These patriotic Americans have joined with the Committee for Citizen Awareness (CCA) and other notable Americans like Secretary of State Colin Powell, and Constitutional author Caroline Kennedy in this effort. The CCA provides free, award-winning civic videotapes to America's high schools, cable television stations, community colleges, libraries and others in every congressional district in the country.

We all owe a debt of gratitude to the efforts of the CCA and to individuals and organizations such as the following:

Tom Beddow, Vice President of Public Affairs and Government Markets of 3M Company

Donald J. Gillespie, President and CEO of A.M. Community Credit Union

John Schofield, Chairman, President and CEO of Advanced Fibre Communications

James W. Barner, President and CEO of Altoona Hospital

Barney B. Chapman, Vice President of America First Credit Union

Marite Plume, President and CEO of Argonne Credit Union

Dr. G. William Benz, President of Ashland University

Ricky A. Burke, Vice President of Metro Region Operations of Atmos Energy

LuAnn C. Williams, Corporate Communication Officer of Bangor Hydro-Electric Company

Dr. Michael Allkins, President of Bay De Noc Community College

Dr. Robert Fisher, President of Belmont University

Michael Cascone, Jr., Chairman, President, and CEO of Blue Cross & Blue Shield of Florida

Gary A. Regoli, President/CEO of Boeing Wichita Credit Union

Truman L. Gates, Chief Executive Officer of Desert Regional Medical Center

David Jacobstein, President and COO of Developers Diversified Realty Corp.

Andrew ''Flip'' Flipowski, President and CEO of divine interVentures, inc.

Vince R. Volpe, President of Dresser-Rand

Doris Grose, President of Educaid, Wachovia Corporation

Dr. Roger S. Newton, President and CEO of Esperion Therapeutics

Marla K. Shepard, President and CEO of First Future Credit Union

Robert Anestis, Chairman, President and CEO of Florida East Coast Industries, Inc.

Patrick L. Taylor, CEO of General Electric Evendale Employees Federal Credit Union

Dr. Craig Turner, President of Hardin-Simmons University

Dr. Charles D. Dunn, President of Henderson State University

Ray Romero, Chairman of Hickam Federal Credit Union

Dr. Jean Goodnow, President of Illinois Valley Community College

Andrew L. Farkas, Chairman and CEO of Insignia Financial Group

Dr. Jerry W. Weber, President of Kankakee Community College

Dr. Joseph G. Burke, President of Keuka College

Dr. Linda Stegall, President of Kingwood College

Thomas Fleming, Chairman of the Board of Kirkbride Center

Walter Malinowski, President of Labat-Anderson Inc.

Dr. L. Michael Metke, President of Lake Washington Technical College

Hank Hernandez, CEO of Las Palmas Medical Center

Brian T. Flynn, CEO of Manatee Memorial Hospital

Mark Hillard, CEO of Maricopa Integrated Health System

Sister Mary Reap, IHM, President of Marywood University

Kenneth Rudzewick, President and CEO of Maspeth Federal Savings and Loan Association

Frank VanderSloot, President and CEO of Melaleuca Advantage Federal Credit Union
Aiken Regional Medical Centers
Akzo Nobel, Inc.
American Savings Foundation
Anglo Gold Jerritt Canyon, Inc.
ARROW Electronics, Inc.
Aultman Health Foundation
AvMed Healthplan
Baltimore City Community College
Bluebonnett Savings Bank
Boston University
Bridgewater State College
Brinks Home Security
Catholic Medical Center
Central Ohio Technical College
Chandler, Franklin & O'Bryan
Chicago Patrolman's Federal Credit Union
Christiana Care Health System
Coastline Community Credit Union
Columbia University Health Sciences
Computer Sciences Corporation
Cushman & Wakefield, Inc.
Cuyahoga Falls General Hospital
Fiorello H. Laguardia Comm. College
First Community Bancshares, Inc.
Flushing Savings Bank
FMC Airport Systems Jetway
Glendale Memorial Hospital
Graceland University
Grenada Lake Medical Center
Gulfstream Aerospace Corporation
Harper-Wyman Company
Hawaii State Federal Credit Union
Holyoke Hospital
Jewish Hospital College of Nursing
Kindred Hospital Greensboro
Laney College
Liberty Mutual Insurance Company
Merck & Co., Inc.
Montreat College
Nassau Educators Federal Credit Union
National Park Medical Center
North Brooklyn Health Network
Northland Area Federal Credit Union
Northwest Florida Community Hospital
Novartis Pharmaceutical Corporation
O-Cedar Brands, Inc.
Provena St. Mary's Hospital
Santa Clara University
Saturn Corporation
Seven Rivers Community Hospital
South Carolina State University
St. John's Regional Medical Center
The Rockefeller Group
The Summit Federal Credit Union
The University of Iowa
Tri-County Technical College
Utah Valley State College
Valley Baptist Health System
Washington County Health System Inc.
Wells Fargo Bank
WesCorp
Wesleyan College
Westinghouse Waste Isolation Division

HONORING NICK BECK

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Nick Beck on the occasion of his retirement from the Madera City Fire Department after 39 years of service. A celebration in his honor will take place on Sunday, November 16th in Madera, California.

Mr. Beck proudly served our country in the United States Army before working with the Madera City Fire Department. After training in California and Georgia, he was assigned to Company B of the 97th Signal Battalion in Germany. Nick was also selected to attend the 7th Army Non-Commissioned Officers Academy where he graduated in the top 10 of his class. Just months after his service in the Army ended, Mr. Beck started his employment with the Madera City Fire Department.

In 1969, Nick was promoted to Apparatus Engineer, a specialist in the operation of heavy fire equipment vehicles. He was named Fire Lieutenant in 1976, then Battalion Chief in 1979. Each promotion was achieved through a competitive examination, and Nick scored number one on each test. In the early '90s, Mr. Beck was instrumental in the city's efforts to contract for fire protection with the California Department of Forestry and Fire Protection. Through his efforts, a contractual agreement was met, which led to an estimated $2 million in savings for the City of Madera over the last 10 years. Nick also received two Madera County Firefighter of the Year awards.

Mr. Beck has also been a prominent member of numerous professional organizations. He is a past-President of the Central California Fire Training Officers Association, the Madera County Employees Federal Credit Union, the Central California Fire Prevention Officers Association, and the Madera Firefighters Association. He is also a member of the 1st Fresno City College Fire Science Advisory Board and the California State Firefighters Association.

Mr. Speaker, I rise today to honor Nick Beck for his valiant service to the Madera City Fire Department. I invite my colleagues to join me in wishing Mr. Beck an exciting, well-deserved retirement.

TRIBUTE TO BEN STEPHENSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. McINNIS. Mr. Speaker, it is my honor to rise and pay tribute to a remarkable man from my district. For his dedication to the students of Montrose, Colorado, Ben Stephenson was recently named Colorado's Assistant Principle of the Year. I am proud today to call Ben's contributions to the attention of this body of Congress and this nation.

As Assistant Principle of Columbine Middle School, Ben goes beyond the call of duty each day. To best serve the children, Ben works in conjunction with teachers, parents, and administrators to assure the well being of Columbine's students. In addition to his official duties, Ben also works tirelessly for the safety of his students. He has been instrumental in implementing anti-bullying and classroom safety programs in the school. The students of Columbine Middle School are truly safer and happier as the result of Ben's contributions.

For his award, Ben will receive $1,000 from the Colorado Association of School Executives. Although he could keep this prize money, Ben has decided to use it to spearhead a school project to build a student weight room. This selfless donation is illustrative of Ben's true compassion for the students of Columbine.

Mr. Speaker, I am proud to call to the attention of this body of Congress and this nation the contributions of Ben Stephenson. Ben has dedicated his life to educating young minds. His passion for student safety, and his desire to pass along his knowledge and morals to the next generation, is truly admirable. I would like to join the students of Columbine middle school, and the community of Montrose, in congratulating Ben on a well-deserved award.

HONORING THE REMARKABLE CAREER OF MR. RAMON PUIG

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I rise to honor the remarkable accomplishments of Mr. Ramon Puig. He truly is the embodiment of the American dream.

Mr. Puig was born in the central mountain town of Zaza del Medio, in the Cuban province of Las Villas in 1920. At a young age, he learned to be a tailor and at 23, he opened shop in his hometown and began making and selling tropical dress shirts called guayaberas.

As his popularity grew, he traveled throughout the island, taking skillful measurements and delivering his custom-made guayaberas. Eventually, he became a regular supplier of guayaberas to Cubans throughout the entire country.

When Cuba fell to totalitarianism in 1959, Mr. Puig left his shop as he was forced to work in the dictatorship's sugarcane fields.

He arrived in Miami on one of the Freedom Flights of October 18, 1968. There, he worked for eight months as a hotel dishwasher for 95 cents an hour.

He put his life back together and in 1971, opened his first guayabera shop in Miami. His superb work, skillful craftsmanship and attention to detail have earned him the nickname, el Rey de las Guayaberas, the Guayabera King. His stylish shirts have earned him national attention, including a recent article in GQ magazine.

Every day, he drives to his store and personally takes his customers' measurements, cuts the patterns, and supervises the seamstresses who stitch his custom-made guayaberas. His shirts are superbly made with embroidery and fine details that make each shirt unique.

He carefully keeps track of everyone who buys his tailor-made guayaberas with record books filled with names, occupations, measurements and cuttings from the fabric he used to make their particular guayabera.

Mr. Puig's list of clients includes stars George Hamilton, Robert Duvall, Emilio and Gloria Estefan, mayors, governors, senators and every U.S. president since Ronald Reagan. Their autographed photos adorn his office.

In 1995, he moved his shop, La Casa de las Guayaberas, to 5840 SW Eighth Street in Miami. The store carries about 8,000 guayaberas and has hundreds more in storage.

But the love of his life is Juana Maria, the wonderful woman he married 60 years ago. She is his partner in business as well as life.

Mr. Speaker, I congratulate my friend, Mr. Ramon Puig, for his long and remarkable career.

I commend him for his hard work and wish him continued success and happiness. I am honored to call this great man, my friend.

TRIBUTE TO SISTER HELEN COSTELLO, RSCJ RECIPIENT OF THE 2003 ST. MADELEINE SOPHIE BARAT AWARD

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. ESHOO. Mr. Speaker, I rise today to honor Sister Helen Costello, RSCJ, a distinguished Californian, as she receives the 2003 St. Madeleine Sophie Barat Award. This award, named for the foundress of the Society of the Religious of the Sacred Heart, honors individuals who over a significant period of time have made extraordinary contributions to Sacred Heart Schools, Atherton. Founded in 1897, Sacred Heart Schools includes St. Joseph's School of the Sacred Heart and Sacred Heart Preparatory.

Sister Helen Costello was born in San Francisco and entered the 8th grade at the Convent of the Sacred Heart in 1929, which was then a boarding school for girls. Sister Costello graduated from Sacred Heart School in 1935 and took her final vows in Rome in 1949. She taught at St. Joseph's School from the early 1950's until 1967. During that time she was responsible for overseeing the altar boys, some of whom still keep in touch with her. Since leaving the School, Sister Costello has worked with the Handicapables, assisted children with cancer, and counseled students. Throughout the years, Sister Costello has dedicated her time and talents to the students and families of Sacred Heart School.

Mr. Speaker, I'm proud to honor her work, her values, and her deep love for her students and I ask my colleagues to join me in honoring Sister Helen Costello, RCSJ, as she receives the 2003 St. Madeleine Sophie Barat Award for her extraordinary contributions to Sacred Heart Schools.

REINTRODUCTION OF DEPARTMENT OF STATE REVIEW BILL

HON. MAC THORNBERRY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. THORNBERRY. Mr. Speaker, for some time, I have believed that it is essential to transform our military so that the United States is better able to deal with the enormous security challenges of the 21st century. Since my first term in Congress, I have worked to develop a more flexible, adaptable military with a ''culture of innovation'' that will ensure that our security is protected as the threats against us, our allies, and our values grow in number and complexity. But at the same time, I recognize that American national security does not rest solely on the shoulders of the U.S. military.

Based on my work in defense transformation, I became convinced that homeland security was a vital area requiring not just more money, but a major reorganization of the government agencies charged with protecting the American homeland. I introduced the first bill creating a new organization to better protect the homeland on March 21, 2001, and that new Department is now up and running.

I also believe that a transformation is needed at the Department of State so that it is better able to formulate and implement American foreign policy in the coming years. On September 18, 1998, I introduced H.R. 4065 in the 105th Congress to require that an independent, non-partisan panel review all the facets and functions of the Department of State and to provide Congress with its findings and with a plan for reorganizing the Department. The bill was reintroduced as H.R. 106 in the 106th Congress and as H.R. 304 in the 107th Congress.

I believe that the events of the past two years only add a greater degree of urgency to the need for such a transformation. It is time for Congress to take action.

The gentleman from Arkansas, Mr. Snyder, has also been working on these issues for some time. He has suggested a number of improvements in my previous proposals, and today we are introducing the revised version of the bill. It does not prescribe in legislative language exactly how the Department of State should be reorganized despite the many studies and reports which have recommended various actions. It does establish the framework for a serious study of all of the recommendations and requires that a proposal be submitted to Congress. We would then have to act upon the legislation in the normal order.

There have been a number of outside studies which recommend reform in very strong terms. For example, in January 2001, a study cosponsored by the Council on Foreign Relations and the Center for Strategic and International Studies and chaired by former Secretary of Defense and career foreign service officer, Frank Carlucci, issued ''a scathing report,'' warning that ''the United States will soon face serious dangers and enormous costs because its foreign policy establishment has not come to terms with global changes a full decade after the Cold War ended.'' (Los Angeles Times, January 30, 2001). ''No government bureaucracy is in greater need of reform than the Department of State,'' the report found.

In March 2001, the United States Commission on National Security/21st Century, better known as the Hart-Rudman Commission, found that ''The Department of State is a crippled institution that is starved for resources by Congress because of its inadequacies and is thereby weakened further. The department suffers in particular from an ineffective organizational structure in which regional and functional goals compete, and in which sound management, accountability, and leadership are lacking (p. 47).'' Other studies and reports have reached similar conclusions.

This bill requires a serious study of the organization of the Department of State and our diplomatic structure. The Commission created by the bill will examine all levels of the Department, from the organization chart of bureaus and offices to staffing at embassies around the world. It will also look at issues such as public diplomacy—whether we are organized to wage the battle over ideas, which is so critical to the ultimate success of the war on terrorism—and use of foreign assistance—whether we are prepared to use effectively innovative new programs, such as the Millennium Challenge Account.

There may be a variety of opinions on what the Department of State should be doing and on exactly what organizational and process changes should be made, but we should all be able to agree that how decisions are made, and especially how they are implemented, needs drastic improvement.

Mr. Speaker, change is always difficult, and we should not impose change without a good reason for doing so. We also have an obligation, I think, to seek better, more effective ways to advance American interests, and no Department should be exempt from penetrating examination in pursuit of those larger interests.

INTRODUCTION OF THE VIDEO CONSUMER PRIVACY PROTECTION ACT OF 2003

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MARKEY. Mr. Speaker, I rise to introduce the Video Programming Consumer Privacy Protection Act of 2003. Mr. Speaker, as our Nation's communications networks continue to grow and become ever more sophisticated, more individuals and industries will be using broadband networks at home and work. As America upgrades its communications infrastructure for the 21st century, we must make sure that the information superhighway is safe for all its travelers and this is particularly true with respect to personal privacy.

As the co-chair of the Congressional Privacy Caucus, along with Representative JOE BARTON (R–TX), I have been concerned about protecting privacy and closing anachronistic or technology-specific loopholes in consumer privacy protections for a long time.

Mr. Speaker, it is becoming increasingly apparent that, in addition to the protections accorded consumers with respect to information gathered by cable operators, video rental stores, and telecommunications carriers, which are contained in current law, further protections are needed to ensure that consumer privacy rights are retained and respected on the information superhighway by other entities. This includes entities with access to consumer video information, or who are using other technologies to essentially deliver similar services to those covered by current law.

This is especially the case in the video marketplace. Current law contains privacy protections for consumers when they rent video cassettes—as contained in the Video Privacy Protection Act of 1988, codified at 18 U.S.C. 2710—or subscribe to cable or other services from a cable operator, as contained in the Communications Act of 1934 47 U.S.C. 551.

Since the privacy provisions protecting cable subscribers were put in place in 1984, the Direct Broadcast Satellite industry has developed. Today, Echostar and DirecTV, for example, have approximately 20 million subscribers. Although they offer multichannel video programming across the country in a manner comparable to many cable operators, current legal privacy protections protect cable subscribers but not satellite subscribers. This makes absolutely no sense when one considers that millions of such satellite subscribers are watching the same programming as the cable subscriber next door. Consumers who switch from cable to satellite service often do not know that the privacy protections the law accords them in one market do not follow them when they switch technologies even

though the video services they obtain are similar.

In addition, the provisions of the Video Privacy Protection Act of 1988, which was enacted in the wake of a scandal involving the disclosure of the video rental records of Judge Robert Bork in a newspaper, covers video cassette rentals but not such ''rentals'' if they are not in cassette form. In other words, if a consumer physically rents a movie from Blockbuster and walks out of the store with a video cassette, there are legal privacy protections governing the unauthorized disclosure of the consumer's rental choice. Yet if the very same movie is delivered online or over-the-air, and not as a video cassette, it is not covered by that statute.

Moreover, the digital video recorder is quickly becoming a popular device in homes around the country. The personal records of video subscriber choices and viewing habits are available to companies such as Tivo and Replay TV. Consumers should certainly be accorded the same privacy protections for subscribing to these services in my view as they receive under the law from cable operators today. Indeed, the information available to such companies may be more detailed and specific about a consumer's viewing habits than that which may be obtained by many cable operators. The total lack of any legal protections in this area is especially troubling given reports that such companies are willing to sell certain, aggregate data about consumer viewing habits to marketers and others. Currently there is no prohibition on the sale or disclosure of more personal television viewing data.

Mr. Speaker, the bill I'm introducing today is very simple and straightforward. It merely takes the provisions of law governing consumer privacy which today apply to cable operators and makes them applicable to satellite providers as well as vendors of other multichannel video services, including Tivo and Replay TV. This bill provides essential, similar privacy protections for consumers regardless of whether they subscribe to Comcast or Cox cable, Echostar or DirecTV, or whether they also subscribe to Tivo or ReplayTV. This will keep our critical consumer privacy laws current with changes in the marketplace and advances in technology.

I look forward to working with my House colleagues, including my colleagues on the Telecommunications and Internet Subcommittee and fellow members of the Congressional Privacy Caucus, in addressing these issues perhaps in the next session of Congress.

PERSONAL EXPLANATION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. KOLBE. Mr. Speaker, yesterday, I was unavoidably detained and missed the vote on S.J. Res. 18, Commending the Inspector General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement during the past 25 years (No. 621). I intended to vote ''aye.''

TRIBUTE TO SISTER ANN MCGOWAN, RSCJ—RECIPIENT OF THE 2003 ST. MADELEINE SOPHIE BARAT AWARD

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. ESHOO. Mr. Speaker, I rise today to honor Sister Ann McGowan, RSCJ, a distinguished Californian, as she receives the 2003 St. Madeleine Sophie Barat Award. This award, named for the foundress of the Society of the Religious of the Sacred Heart, honors individuals who over a significant period of time have made extraordinary contributions to Sacred Heart Schools, Atherton. Founded in 1897, Sacred Heart Schools includes St. Joseph's School of the Sacred Heart and Sacred Heart Preparatory.

Sister Ann McGowan, RSCJ, was born in Washington DC, and moved with her family to the West Coast when she was still a child. She attended La Jolla High School in San Diego and the San Diego College for Women, where she majored in Biology. She entered the Society of the Sacred Heart soon afterward, and spent her years as a novice at the Sacred Heart School in nearby El Cajon. She was given special permission to come to teach at St. Joseph's School, which was transitioning from being an all-boys parish school to being a co-ed Sacred Heart School.

Sister McGowan loved working with boys during the day, pinning up the skirts of her habit to coach baseball in the afternoons, and working in the girls boarding school at night. In the fall of 1976, she began her tenure as Principal of St. Joseph's School, Preschool through 8th Grade, and the school prospered under her enlightened leadership for 16 years. It was Sister McGowan's vision that the school pride itself on excellence in all areas, educating the whole child. She insisted on the highest standards for her students and for her faculty, and of course, for herself. Her eye for excellence helped to build one of the finest schools in the San Francisco Bay Area.

Mr. Speaker, I'm proud to honor Sister McGowan's work, her values, and her deep love for her students. I ask my colleagues to join me in honoring Sister Ann McGowan, RCSJ, as she receives the 2003 St. Madeleine Sophie Barat Award for her extraordinary contributions to Sacred Heart Schools.

U.S.-CHINA MARITIME AGREEMENT BEGINS A NEW ERA OF CO-OPERATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. OBERSTAR. Mr. Speaker, I rise today to express my support for the recent U.S.-China maritime agreement, the result of successful U.S.-China maritime negotiations that concluded in August of this year. The agreement, which is now under final review by the Departments of Transportation and State, is the most significant maritime pact with China in the last 15 years, and represents a major breakthrough in U.S.-China maritime relations. Its conclusion is a testament to the will of both governments and the importance of U.S.-China bilateral relations.

The recently announced framework agreement between the U.S. and China is significant because it addresses a number of long-standing impediments to expanding maritime trade between our two nations. The agreement achieves a long overdue goal, which I have supported, of ensuring a level playing field for both countries. While the specific details of the agreement are yet to be released, the fundamental issues of concern for the U.S. involved market access issues such as: bonding for Non-Vessel Operating Commercial Carriers, opening branch offices, and provision of logistics services. Issues for China included the filing of confidential freight rates and controlled carriers, among others.

The commitment of lead U.S. negotiator Captain William Schubert, U.S. Maritime Administrator and his Chinese counterpart, Su Xiang, Director General of the Department of Water Transport, was significant in reaching this agreement. Captain Schubert and Director General Su reflected the newfound will of their governments since the expiration of the last agreement in 1998.

Since 1998, the policies of the government of China on international maritime trade have evolved from protectionism, to an acceptance of the benefits of competition and open access for consumers and shippers of both countries. In January 1999, I met with Vice Minister of Communications Hong Shanxiang in Bejing. Minister Hong referred to China as a developing country whose maritime interests needed protection. I pointed out that in maritime it was the United States that was in the position of a developing country, with our fleet declining from 3,000 vessels in 1945 to 450 in 1999, making us the smallest maritime nation. China, meanwhile has become a maritime power.

I am pleased that the government of China has now recognized that in the maritime field, their industry is capable of meeting the challenges, and gaining the benefits, of a competitive system. With this agreement, both governments committed to making the concept of a more open and economically successful bilateral maritime relationship a reality.

The China Ocean Shipping Company (COSCO) was an important force behind the U.S. China Maritime agreement. COSCO is the 5th largest shipping company in the world and the principle maritime carrier between Asia and the United States. I wish to applaud COSCO's leadership in both Beijing and Washington, notably Mr. Gao Weijie, who kept all of us informed and helped to forge a consensus among the maritime parties involved.

Much work remains once the agreement is officially signed. Both sides must take completing actions to ensure that the discriminatory policies are dismantled, as provided for in the agreement.

Mr. Speaker, as the Ranking Democrat on the House Transportation and Infrastructure Committee, and an active maritime policy participant for over two decades, I want to commend Captain Schubert and Bruce Carlton of MARAD, Minister Hu of China, Mr. Gao of COSCO, and all maritime agreement participants who worked so hard to ensure that this U.S.-China Maritime agreement would become a reality.

PERSONAL EXPLANATION

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. BONNER. Mr. Speaker, on November 17 I was unavoidably detained in my district and was not able to vote on rollcall votes numbered 620, 621, 622, and 623. Had I been present, I would have voted ''aye'' on rollcall 620, ''aye'' on rollcall 621, ''aye'' on rollcall 622, and ''aye'' on rollcall 623.

ACKNOWLEDGING MR. DENNIS DOUGHERTY, CEO OF VISUAL ELECTRONICS, LTD

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. UDALL of Colorado. Mr. Speaker, I rise today to acknowledge Mr. Dennis Dougherty, the CEO of Visual Electronics, Ltd. Dennis has not only been a leading entrepreneur in Colorado, he is also an active leader of the Human Rights Campaign and an outspoken proponent of civil rights. Still a Republican, despite my entreaties to the contrary, Dennis is living proof that one can be a hard-driving and successful businessman and also contribute to causes that are beyond self-interest and the so-called ''bottom line.''

A Colorado newspaper recently published a profile on Dennis Dougherty and included some highlights of his career in the ever-changing high technology sector. I would like to share a few items that describe Dennis and his contributions to both the private and public sectors:

As the hands-on director of a 25 year old customer service-oriented company, Dougherty has weathered tough economic times by stressing attention to client satisfaction. Visual Electronics marketing manager, Kim Johnson, said, ''If you make a client happy, they're going to come back to you.''

Dennis was raised in Omaha, Nebraska and served in Vietnam after being drafted by the Army. Dennis served honorably and in a time and place where being an ''out gay person'' was unheard of and dangerous.

Through 12 hour work days and a continuing commitment to meet the needs of his customers, Dennis built a multi-million dollar company providing ACD monitoring systems for call centers, 911 emergency operations, help desks and tech support lines. Visual Electronics is, in its own way, a prime example of the growth potential in technology services.

Dougherty has also been a regional and national philanthropist, supporting human rights work, aimed at establishing equal rights for gays and lesbians. Dennis is also a major supporter of the Colorado AIDS Project and the National Sports Center for the Disabled in Winter Park, Colorado.

Coloradans are proud of Dennis Dougherty and the contribution he and his company have made to our state. Through his attention to detail, his strong people skills, his sales acumen and his outstanding commitment to his work colleagues, Dennis and Visual Electronics, Ltd. are valuable members of our business community and I am proud to recognize him today.

PERSONAL EXPLANATION

HON. JIM RYUN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. RYUN of Kansas. Mr. Speaker, unfortunately, I missed four votes in the House of Representatives on November 17, 2003. Had I been in attendance I would have made the following votes:

Passage of S.J. Res. 22, Recognizing the Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research. Had I been in attendance, I would have voted ''yea.''

Passage of S.J. Res. 18, Commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years. Had I been in attendance, I would have voted ''yea.''

Passage of H. Con. Res. 299, Honoring Mr. Sargent Shriver for his dedication and service to the United States of America, for his service in the United States Navy, and for his lifetime of work as an ambassador for the poor and powerless citizens of the United States of America, and for other purposes. Had I been in attendance, I would have voted ''yea.''

On the Motion regarding the Hour of Meeting. Had I been in attendance, I would have voted ''yea.''

TRIBUTE TO BRANDON PHILIP WATTERS

HON. DEVIN NUNES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. NUNES. Mr. Speaker, I rise today to pay tribute to a brave young man from my home district, who selflessly gave his life trying to save a friend.

On June 25, 2003, Brandon Philip Watters was at Sequoia National Park with his brother, Garet, and friends. They were swimming at ''the cliffs,'' along the Kaweah River. Brandon was enjoying a well-deserved summer break from pre-med courses at the University of California, Santa Cruz.

Suddenly, Brandon noticed that his friend, Renne Suddeth, was caught in the rapids. Without thought to his own safety, he immediately dove in the water, struggling against the roiling waters. Marshaling every bit of his strength, he was able to get his nearly drowned friend to safety.

Just as Garet pulled Renne from the river, Brandon was pulled underneath the turbulent water by strong currents. Recognizing the extreme peril of diving in after Brandon, who was the strongest swimmer among them, the others kept each other from jumping in after him.

Brandon's courageous act cost him his life. The water was so treacherous that well-trained, experienced divers noted that it hindered their recovery efforts for more than two hours.

Brandon was undoubtedly aware of the danger. We know that he would make the same decision were he given that choice again. His sacrifice is a testimony to his personal character.

That was even evident as hundreds of his friends flocked to St. Mary's Church to honor his memory. His wit, intelligence, self-effacing modesty, generosity and kindness have touched many people.

I urge my colleagues to join me by extending their sympathies and deepest gratitude to the family of Brandon Watters for his life and sacrifice. He will be missed.

GAP IN HOMELAND SECURITY

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. COBLE. Mr. Speaker, I rise today to bring attention to a serious gap in our homeland security strategy and to encourage my colleagues to work with me to move expeditiously and cost effectively to remedy this problem. Currently, the Coast Guard only employs eight armed air assets that are equipped to use force to protect our entire port and waterway network and to enforce our nation's drug laws. This is unacceptable. This fleet is obviously much too small to provide coverage to the almost 90,000 miles of U.S. coastline and hundreds of ports and waterways. In light of this serious vulnerability, it is my strong belief that the Coast Guard should move quickly to initiate a competition for a new multi-mission armed cutter helicopter. We need more assets now and should not stand idle while millions of Americans who live along our coastlines remain vulnerable. This being said, I completely support the mandate of the Transportation and Infrastructure Committee contained in H.R. 2443 that directs the Coast Guard to expand its fleet of armed Sting Ray helicopters. The plan to acquire additional HITRON Sting Ray helicopters through a flexible lease arrangement is a common sense interim solution until a new state-of-the-art multi-purpose helicopter can be deployed. In the aftermath of 9–11, the Sting Ray fleet suddenly has a key role on the front lines of both America's war on drugs and terrorism.

On September 15, 2003, Coast Guard Subcommittee Chairman LoBiondo and Ranking Member Filner wrote the leadership of the Appropriations Committee to emphasize the priority our Coast Guard Subcommittee is giving to the establishment of a an expanded fleet of MH–68A armed helicopters. Recognizing the Coast Guard is confronting a serious challenge in trying to balance its limited resources to meet both its humanitarian missions and its new homeland security responsibilities, it is my belief that the only way to effectively address this problem is to increase the number of assets tasked to perform these kinds of operations and to ensure that these assets have prioritized missions. The Coast Guard simply does not have enough assets to perform all their traditional missions plus all their new responsibilities. As a result, the Coast Guard should acquire additional assets for the airborne use of force mission.

I am particularly alarmed over reports out of the Coast Guard that there is a plan to rebuild their existing 20 year old HH–65 fleet rather than replace it through a competitive process. This is a classic case of being penny wise and

dollar foolish and it defies common logic in this post-9–11 environment. Instead of accurately identifying the new mission and then deciding on the best possible helicopter to carry it out, it is an example of shrinking the mission to fit the assets on hand. The Department of Homeland Security requires a new and larger state-of-the-art cutter-deployed helicopter to meet the growing challenge. Rebuilding a twenty year old helicopter is simply not acceptable. The Coast Guard should move quickly to initiate a competition to procure a modern technology Multi-Mission Cutter Helicopter and related Airborne Use of Force assets that can also be used by Customs, Secret Service and the Border Patrol. Mr. Speaker, as you and others in this body know, I am a fiscal conservative who is always conscious of how we in Washington spend taxpayer dollars. I have also always been a strong advocate for the Coast Guard and believe that this branch of our military service is a big bang for the taxpayer buck. Given the 100 percent success of the current HITRON fleet, I believe this would be one of the most effective and cost-efficient ways to address the enormous vulnerabilities that continue to exist along our nation's coastlines and in our ports and waterways.

APPLAUD AMERICA'S LOCAL BROADCAST STATIONS

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. WHITFIELD. Mr. Speaker, I rise today to applaud America's local broadcast stations for a program they recently launched to assist the families of our men and women in uniform who are fighting the war on terrorism abroad.

As of today, there are more than 140,000 active-duty and reserve personnel serving our great Nation in Iraq, Afghanistan, and around the world.

I have the privilege of representing the soldiers stationed at Ft. Campbell, Kentucky assigned to the 101st Airborne Division, the 5th Special Forces Group, and the 160th Special Operations Aviation Regiment. The men and women of these premier Army units have been deployed for extensive periods of time, often with little or no break between deployments.

For the families left behind, these extended separations can be trying not only emotionally, but financially as well. In many cases, the primary ''bread winner'' is the person sent overseas, leaving wives and children to cope with unexpected expenses.

The National Association of Broadcasters and its 6,000 radio station and 1,000 television station members recently partnered with the Armed Forces Relief Trust (AFRT) to help raise funds for those families that are facing financial challenges. The AFRT solicits contributions and then disburses interest-free loans and grants to family members of deployed personnel who are in need. To support this effort, the broadcasters produced and are voluntarily airing Public Service Announcements, so that AFRT can assist even more families in need.

The AFRT provides important services. They may provide assistance so a soldier can fly home to attend their father's funeral. The services may include a special reading program for a sailor's daughter. They may assist with special medical attention for a pilot's spouse, or college tuition for a Marine's child.

Mr. Speaker, our fighting men and women and their families are sacrificing a great deal on our behalf. It is the duty of all Americans to provide comfort and assistance in any way they can.

I extend a special thanks to the radio and television station owners who are calling attention to this important cause. They are providing an important public service and I commend them for their efforts.

PERSONAL EXPLANATION

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. KIND. Mr. Speaker, on Monday, November 17, 2003, I was unable to record my vote on three resolutions under suspension of the rules, and one motion changing the hour of meeting. My unavoidable absence was due to the fact that I was hosting an important forum on Chronic Wasting Disease in Wisconsin with federal and state leaders.

Had I been able to vote, I would have voted the following:

Roll call #620: Yes, Roll call #621: Yes, Roll call #622: Yes, Roll call #623: Yes.

CELEBRATING THE 100TH BIRTHDAY OF SIMHA LAINER

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. BERMAN. Mr. Speaker, Mr. SHERMAN and I rise today to pay tribute to our good friend, Simha Lainer who will be celebrating his 100th birthday at a dinner and reception hosted by the New Community Jewish High School on Sunday, December 14, 2003. Simha has been a cornerstone of the Jewish community in Los Angeles for many years, and he continues to play an active role in the promotion of Jewish education and many other worthy causes.

Simha was born in the Ukraine. As a young man, he spent time in the Middle East, Ecuador, Peru, Venezuela, and Mexico. He immigrated to the United States with his family in 1951. Although he worked in the textile industry, and later in real estate, his passion has always been education.

Simha, along with his wife Sara(z''l) and his three remarkable sons Mark, Nahum and Luis, who in their own right have supported so many worthy causes, have pioneered efforts to make a Jewish education available to as many children as possible. In 1989, Simha and his family established the Simha and Sara Lainer Fund for Jewish Education. As a result of this fund, the Los Angeles Bureau of Jewish Education has provided financial aid to many students that otherwise would have been unable to study the Torah. The fund has also provided Simha and his family an opportunity to honor religious schoolteachers and early childhood educators for their hard work and dedication.

Simha has also provided critical leadership to promote upper levels of Jewish education. For example, he served on the Board of Directors at the University of Judaism, the Board of Trustees of the Jewish Community Foundation, and the Board of the West Coast Friends of Bar Ilan University. Simha is also the founder of the Western Region of American Friends of the Hebrew University.

In addition to his many educational achievements here in the United States, Simha has also displayed an unwavering commitment to the establishment and maintenance of Israeli institutions of education. Thanks to his leadership and vision, thousands of Israeli and American children will be prepared to lead productive lives and promote religious and cultural tolerance.

Mr. Speaker, we ask our colleagues to join us in saluting Simha for all of his outstanding contributions and to wish him a happy 100th birthday.

RECOGNIZING CHESTER COUNTY CHAPTER 377 OF THE NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. GERLACH. Mr. Speaker. I rise today to recognize Chester County Chapter 377 of the National Association of Retired Federal Employees and all of its members on the 50th anniversary of its founding.

The National Association of Retired Federal Employees (NARFE), an organization of former workers of the United States government, was established in 1921 and has grown to over 420,000 members—each of whom is affiliated with one of 1,591 chapters nationwide. They perform an advocacy role at the national level in promoting and protecting the annuity and health insurance rights of all former employees. It also provides significant services to all United States government retirees by aiding them in understanding and utilizing their individual rights under current directives.

Much like other national advocacy groups, NARFE is separated into state organizations which are further subdivided into a number of local chapters based on population and geography. In Pennsylvania, there is a statewide federation of approximately 22,000 members who likewise are affiliated with Chester County Chapter 377 or one of the 56 other local chapters.

The Chester County Chapter 377 of NARFE encompasses the entire county and has a membership of over 400 retirees. The Chapter holds ten meetings a year hosting outside speakers on a variety of issues important to its members. I am honored to be speaking at their 50th Anniversary luncheon on December 2, 2003. In addition to the meetings, NARFE members are informed on retirement issues through a national monthly magazine and from periodic chapter newsletters.

I ask that my colleagues join me today in recognizing Chester County Chapter 377 of the National Association of Retired Federal

Employees, its President Stewart F. Taylor, and all of its members on the 50th Anniversary of the its founding. Half a century of hard work and dedication has led to great success in protecting the benefits of retired federal employees in Chester County, the Commonwealth of Pennsylvania and across the United States.

HONORING THE LIFE AND WORK OF RETIRED BRIGADIER GENERAL PAUL ROBERSON

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. RODRIGUEZ. Mr. Speaker, I rise today to honor the life and work of retired Brigadier General Paul Roberson. Today, Paul was brought to his final resting place at our Nation's most hallowed ground, Arlington National Cemetery. Our friend and colleague now rests with America's national heroes.

Although born a Californian, Paul's first assignment as an Air Force officer brought him to Texas, and he spent much of his career in the San Antonio area. A veteran of the Vietnam War, Paul's military honors included the Legion of Merit with oak leaf cluster, Bronze Star Medal, Meritorious Service Medal with two oak leaf clusters, National Defense Service Medal, Vietnam Service Medal, Republic of Vietnam Gallantry Cross with Palm and the Republic of Vietnam Campaign Medal.

After a long, distinguished career with the United States Air Force, Paul led efforts in San Antonio to avoid the closure of Kelly AFB during the 1995 BRAC process. With the BRAC decision to close and realign Kelly AFB, Paul wasted no time in working to transform the largest base to be closed in the BRAC process into a productive and vibrant center for aerospace maintenance and international trade. Under his leadership, Kelly AFB became KellyUSA, which now boasts thousands of new jobs and a bright future as a leading industrial and trade center in South Texas. He has left a legacy of success.

Creating KellyUSA was no easy task, and Paul approached it with both determination and optimism. I worked closely with Paul during these years after I came to Congress. Paul always had his list of priority action items and gently, but firmly, made his case. He met obstacles resolutely and with confidence. More often, he welcomed success with humility and appreciation. This is how I will remember Paul.

Paul leaves behind a loving family and a community in San Antonio which he helped shape for the future. We all owe Paul our thanks and appreciation for his life of service to our Nation, to the United States Air Force, to KellyUSA, and to the people of San Antonio. Paul made public service an art, and we all thank him for the tapestry of his life's work.

TRIBUTE TO ROBERT GLOCKNER

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. ESHOO. Mr. Speaker, I rise today to honor Robert Glockner, a distinguished Californian, as he receives the 2003 St. Madeleine Sophie Barat Award. This award, named for the foundress of the Society of the Religious of the Sacred Heart, honors individuals who have made extraordinary contributions to Sacred Heart Schools, Atherton, over a significant period of time. Sacred Heart Schools founded in 1897, includes St. Joseph's School of the Sacred Heart and Sacred Heart Preparatory.

Robert Glockner, Trustee Emeritus, became involved with Sacred Heart School in 1975 when the first of his four daughters to graduate from Sacred Heart Preparatory enrolled in the school. In 1976 he was asked to serve on the Advisory Board that later became the governing Board of Trustees. Mr. Glockner served as the Chair of the School's first major capital campaign and helped to raise $3.5 million and funded the completion of the McGanney Gymnasium. From 1984 to 1986 he served as Chair of the Board. For his determination and leadership during his twelve years on the Board he was named Trustee Emeritus, a distinction bestowed on only two other Board members.

I'm exceedingly proud to honor his work, his values, and his commitment to Sacred Heart Schools. He is a model for others to emulate and his leadership will touch generations of students to come.

Mr. Speaker, I ask my colleagues to join me in honoring Robert Glockner as he receives the 2003 St. Madeleine Sophie Barat Award for his extraordinary contributions to Sacred Heart Schools.

CONFERENCE REPORT ON H.R. 1588, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

SPEECH OF

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 2003

Mr. UDALL of Colorado. Mr. Speaker, when this House voted on H.R. 1588 in May, I voted against it. I didn't think the bill as it stood then was one I could endorse. The conference report that we are considering today is marginally better. Although I still have strong reservations, I will support the conference report.

We are 2 years into our war on terrorism and still engaged in military action in Iraq. There is no doubt that we must continue to focus on defending our homeland against terrorism, we must support our military personnel, and we must give our military the training, equipment, and weapons it needs to beat terrorism around the world.

That's why I'm in favor of provisions in the bill that support those men and women who have put their lives on the line in Afghanistan and Iraq. The bill provides an average 4.15 percent pay raise for service members, boosts military special pay and extends bonuses, and funds programs to improve living and working facilities on military installations.

I am pleased that the report includes provisions recognizing the importance of non-citizen soldiers and the many sacrifices and contributions they have made. The report eases the naturalization process for these soldiers and their families, reducing to one year the length of service requirement for naturalization during peacetime; allowing soldiers to apply and take oaths for citizenship overseas; and granting permanent resident status to the surviving family of U.S. citizen soldiers who are granted posthumous citizenship as a result of death incurred in combat.

I'm also pleased that this bill will allow approximately one-third of eligible disabled military retirees to receive both their retirement and disability benefits. I would have preferred that the bill extend this ''concurrent receipt'' to all disabled retirees, but this is a great improvement on the bill the House considered earlier this year—which included no such provisions. I am also pleased that the bill extends the military's TRICARE health coverage to National Guard and reservists and their families if servicemembers have been called to active duty. These are all necessary and important provisions that I support.

I do have a number of serious reservations about the bill.

I don't believe it addresses 21st century threats as well as it could. With the exception of the Crusader artillery system, the Administration and Congress have continued every major weapons system inherited from previous administrations. So although the bill brings overall defense spending to levels 13 percent higher than the average Cold War levels, it doesn't present a coherent vision of how to realign our defense priorities.

The bill still includes provisions that would exempt the Department of Defense from compliance with some requirements under the Endangered Species Act (ESA) and the Marine Mammal Protection Act (MMPA). There is broad-based support for existing environmental laws—as there should be—and these laws already allow case-by-case flexibility to protect national security. The Pentagon has never sought to take advantage of this flexibility, so it strains belief that these laws are undermining our national security. Indeed, the General Accounting Office has found that training readiness remains high at military installations notwithstanding our environmental laws. I am not persuaded that the changes to these acts proposed by the military are justified.

The bill still includes worrisome provisions to overhaul DOD's personnel system. Although they are improved from the bill the House considered earlier this year, these provisions would still strip DOD's civilian employees of worker rights relating to due process, appeals, and collective bargaining.

Most disturbingly, the bill still includes provisions on nuclear weapons development. This bill provides funding to study the feasibility of developing nuclear earth-penetrating weapons and authorizes previously prohibited research on low-yield nuclear weapons. Low-yield nuclear weapons have an explosive yield of five kilotons or less—''only'' a third of the explosive yield of the bomb dropped on Hiroshima. Our obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) require the United States to work towards nuclear disarmament, rather than further increase the size and diversity of our arsenal. By continuing the development of new U.S. nuclear weapons at the same time that we are trying to convince other nations to forego obtaining such weapons, we undermine our credibility in the fight to stop nuclear proliferation.

Mr. Speaker, I am very disappointed that this conference report rolls back civil service

protections, environmental protections, and our work in the area of nuclear nonproliferation. But some of these provisions were improved in conference, and the addition of concurrent receipt provisions for our nation's veterans is critical. In view of these changes to the bill, added to my belief in the importance of supporting our men and women in uniform, I will support the conference report today.

TRIBUTE TO ANTHONY SOMOGYI

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. McINNIS. Mr. Speaker, it is with great pride that I pay tribute to Captain Anthony Somogyi from Palisade, Colorado. Anthony is a pilot in the United States Army who recently returned home from serving our country in Operation Iraqi Freedom. Our nation is proud of Anthony's extraordinary valor, and it is my honor today to pay tribute to his dedication and commitment before this body of Congress.

Anthony grew up in Palisade and attended Palisade High School. After graduating, he moved to the University of North Dakota where he earned his bachelors degree and graduated cum laude. Upon leaving college, Anthony decided to employ his considerable education and talents for the betterment of our nation. His patriotism and conviction is a shining example to all young Americans.

Anthony was assigned to the Army's 4th Infantry Division for a six-month deployment in Iraq. While there, he was an Air Mission Commander whose team flew over 80 combat missions. Anthony's unit participated in Task Force Iron Horse, the operation responsible for seizing numerous airfields and countless weapons throughout Iraq. In addition, he played a role in securing the border between Iran and Iraq.

Mr. Speaker, I am proud to pay tribute to Captain Anthony Somogyi's courageous service. His selfless desire to protect the freedom of all Americans is a reflection of his unwavering love for our country. I am extremely proud of Anthony and his fellow servicemen and women, Thank you and welcome home.

RECOGNIZING JASON THOMAS HANSER FOR ACHIEVING THE RANK OF EAGLE SCOUT

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Jason Thomas Hanser, a very special young man who has exemplified the finest qualities of citizenship and leadership by taking an active part in the Boy Scouts of America, Troop 66, and in earning the most prestigious award of Eagle Scout.

Jason has been very active with his troop, participating in many Scout activities. Over the 7 years Jason has been involved with Scouting, he has earned 37 merit badges and has held numerous leadership positions, serving as assistant senior patrol leader, patrol leader, librarian, and assistant scoutmaster in Troop 66. Jason is also a Brave in the Tribe of Mic-O-Say.

For his Eagle Scout project, Jason identified and mapped out the location of all veterans buried in the cemetery in Plattsburg, Missouri. He identified over 350 veterans dating back to the Civil War. His project aided the American Legion in placing flags on Memorial Day.

Mr. Speaker, I proudly ask you to join me in commending Jason Thomas Hanser for his accomplishments with the Boy Scouts of America and for his efforts put forth in achieving the highest distinction of Eagle Scout.

RECOGNIZING NATIONAL DISABILITY EMPLOYMENT AWARENESS MONTH

HON. DAVID SCOTT

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. SCOTT of Georgia. Mr. Speaker, I am pleased to recognize October as National Disability Employment Awareness Month (NDEAM). Congress designated each October as National Disability Employment Awareness Month in order to increase the public's awareness of the contributions and skills of American workers with disabilities. Various programs carried out throughout the month also highlight the specific employment barriers that still need to be addressed and removed. People with disabilities face many barriers to employment, including everything from transportation to contending with the prevailing attitude surrounding the disabled, but many of them want to work. They want the opportunity. The key is to focus on the abilities of the person, not the disabilities.

This effort to educate the American public about issues related to disability and employment actually began in 1945, when Congress enacted a law declaring the first week in October each year ''National Employ the Physically Handicapped Week.'' In 1962, the word ''physically'' was removed to acknowledge the employment needs and contributions of individuals with all types of disabilities. In 1988, Congress expanded the week to a month and changed the name to ''National Disability Employment Awareness Month.'' This year's theme for National Disability Employment Awareness Month was ''America Works Best When All Americans Work.''

I am also grateful to Wayne McMillon, CEO of the Bobby Dodd Institute, Lori Nipp, Board Member of the Bobby Dodd Institute, Megan Dakake of the Bobby Dodd Institute and Dorothy Cochran, CEO of Clayton County Worktec who work actively to prepare individuals with disabilities for employment, to expand employment opportunities available to them and to improve the quality of life for people with disabilities in Georgia. Each of these individuals work on behalf of the Javits-Wagner-O'Day Program which provides employment opportunities for nearly 40,000 Americans who are blind or have other severe disabilities.

The Javits-Wagner-O'Day (JWOD) Program uses the purchasing power of the Federal Government to buy products and services from participating, community-based nonprofit agencies dedicated to training and employing individuals with disabilities. In the United States, the program serves 40,000 people with disabilities and 972 Georgians with disabilities earned nearly $3 million in wages last year as a result of JWOD.

A coordinated effort on behalf of the Committee for Purchase From People Who Are Blind or Severely Disabled (the Federal agency that oversees the Program), National Industries for the Blind (NIB) and NISH-Creating Employment Opportunities for People with Severe Disabilities, the JWOD Program provides people who are blind or who have other severe disabilities the opportunity to acquire job skills and training, receive good wages and benefits and gain greater independence and quality of life. Through the JWOD Program, people with disabilities enjoy full participation in their community and can market their JWOD-learned skills into other public and private sector jobs. It is with great pleasure that I recognize the great contributions of American workers with disabilities and I encourage others to do the same every day of the year.

TRIBUTE TO JIM L. RIDLING FOR HIS TIRELESS COMMUNITY SERVICE TO MONTGOMERY, AL, AND MAXWELL AIR FORCE BASE

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. EVERETT. Mr. Speaker, Montgomery, Alabama, in my congressional district, is the home to Maxwell Air Force Base and the Air University. It is without a doubt the crown jewel in Air Force excellence and base operations. This didn't just happen by accident. Many people have played major roles in building the necessary synergy of local and federal support to transform Maxwell and Montgomery into the success stories they are today. One of those key players is Jim L. Ridling, who is retiring from Southern Guaranty Insurance.

As the Montgomery Area Chamber of Commerce points out, senior Air Force leaders continue to praise the excellent relationship between the Montgomery and Maxwell-Gunter as the best in the Air Force. No doubt, some of that praise goes to the man who twice presided over the ''Wright Flyers'', served as chairman of the Montgomery Area Chamber. of Commerce's Military Council, and labored as a member of the Executive Committee of the Montgomery Air Force Association.

Jim Ridling has worked behind the scenes and sometimes out front to make sure the needs of Maxwell and other area defense activities were met both locally and in Washington. This is no small task and the rewards are big as Montgomery continues to enjoy a local defense economic impact of well over $1 billion annually.

All I have mentioned really doesn't begin to scratch the surface of Jim's community service. He's also a member of the Board of Directors of the Business Council of Alabama, a member of Board of Directors of the Montgomery Area Chamber of Commerce, a member of the Board of Directors of the Montgomery Museum of Fine Arts, a member of the School of Business Advisory Council of Troy State University, and a member of the Board of Directors of the Boy Scouts of America. And this remarkable record doesn't even include his ''real'' job.

This week we pause to honor Jim Ridling as he retires from the post of President and CEO of Southern Guaranty Insurance Company in Montgomery. Jim was never content with building Southern Guaranty into a business success. He also focused his sights on making Montgomery a continued success. And we are ever grateful. I wish him and his wife Catherine all the best, but I somehow believe that Jim's days of service to Montgomery are far from over.

TRIBUTE TO COLONEL MITCHELL PAIGE

HON. MARY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mrs. BONO. Mr. Speaker, I rise today to recognize and pay tribute to the life of one of our nation's greatest, and most decorated, war heroes Marine Colonel Mitchell Paige. Colonel Paige passed away this past weekend on November 15, 2003 in his home in La Quinta, California. He is survived by his wife Marilyn, his six children, fifteen grandchildren and six greatgrandchildren. I want to extend my deepest condolences to Marilyn, who is a wonderful woman and whom I know Colonel Paige loved very deeply, as well as her entire family.

Colonel Paige served with distinction in the Marine Corps for nearly twenty-eight years with a career that spanned from the date of his enlistment on September 1, 1936 to his retirement on July 1, 1964. The numerous awards and medals bestowed upon Colonel Paige included the Medal of Honor, the Purple Heart, and the Presidential Unit Citation.

President Franklin D. Roosevelt bestowed the Medal of Honor, the highest award for valor given a member of the U.S. Armed Forces, on then Platoon Sergeant Paige for his heroic actions on October 26, 1942 during World War II's Battle of Guadalcanal. His career and service to our nation are so exemplary that the Commandant of the Marine Corps, Gen. Michael W. Hagee, added Colonel Paige's autobiography, ''A Marine Named Mitch,'' to the U.S. Marine Reading Program. His actions are so legendary that the Hasbro Toy Company used his likeness for their 1998 Medal of Honor GI Joe model.

Words cannot justly describe the valor and steadfastness to duty that were displayed by Colonel Paige during the Battle of Guadalcanal. To understand his heroism, one must first understand the importance of the airstrip that his Marine Platoon fought to control during the fall of 1942. During that fall, the Japanese Army was building an airstrip in the Solomon Islands from which they would be able to disrupt communication and supply lines between the United States, Australia and Great Britain. On August 7, 1942, in a surprise attack, the Marines landed and quickly seized control of the field. The Marines completed construction and put the field into operation. In the battles that followed, the two sides continued to struggle for control of the island.

On October 26, 1942, Platoon Sergeant Paige led his platoon of thirty-three men in defending the critical ridge from which the opposing forces planned to launch their final assault against the airfield. During the fighting, each and every member of Paige's platoon was wounded or killed. The only Marine able to fight, Paige moved up and down the line pulling the dead and wounded back into their foxholes. Sergeant Paige held the Japanese Army back by firing short bursts from each of the four water-cooled Browning machine guns that his platoon had been given to defend the critical ridge. His actions convinced the Japanese that the crest of the hill was well defended. In truth, it was, defended by a single Marine named Platoon Sergeant Mitchell Paige.

Sergeant Paige's heroism did not end there. In the morning mist, near the end of the fighting, Sergeant Paige grabbed one of the water-cooled Brownings, a job for which the weapon was never designed, and walked down the hill towards the location of the enemy who were preparing to outflank his position. Firing as he went, Sergeant Paige took out the remaining enemy forces on the ridge. Later, joined by a makeshift line consisting of communication personnel, riflemen, runners, cooks and messman, Sergeant Paige led a bayonet counterattack against the enemy. The counterattack was successful and the Japanese forces, having suffered staggering losses, receded all because a single Marine fought with valor and distinction on a small island a little over sixty-one years ago.

After the Battle of Guadalcanal, Colonel Paige continued to serve in the Marines for another twenty-two years. His service and love of country can best be summed up in his own words: ''I am proud to be a citizen of a nation whose objective is peace and goodwill for all mankind. A nation which has contributed so much for the benefit of peoples all over the world. A nation, under God, with liberty and justice for all. I am proud to be an American. I can never believe it is old fashioned to love our Flag and Country nor can I ever believe it is being square to stand in readiness behind our Flag to defend those ideals for which it stands against all enemies, foreign and domestic.''

America owes Colonel Paige a debt of gratitude. His actions, the actions of a single Marine, most certainly turned the tide in the Pacific Conflict during World War II. His actions saved countless lives of American servicemen and his actions quite literally won the War. Mr. Speaker, I rise today to recognize and pay tribute to the life of a man who lived with valor and honor, a man who loved his country and fought bravely defending her, a man who was a patriot and an American Hero, Marine Colonel Mitchell Paige.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mrs. MYRICK. Mr. Speaker, I was unable to participate in the following votes due to a personal matter that kept me at home. If I had been present, I would have voted as follows:

Rollcall vote 620, on S.J. Res. 22, recognizing the Agriculture Research Service of the Department of Agriculture, I would have voted ''yes.''

Rollcall vote 621, on S.J. Res. 18, commending the Inspectors General, I would have voted ''yes.''

Rollcall vote 622, on H. Con. Res. 299, honoring Mr. Sargent Shriver, I would have voted ''yes.''

Rollcall vote 623, on the motion to change the convening time, I would have voted ''yes.''

COMMENDING THE RECORDING ACADEMY ON THE ANNOUNCEMENT OF ITS CULTURAL POLICY INITIATIVE

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to commend the National Academy of Recording Arts and Sciences, also known as the Recording Academy, on the announcement of the GRAMMY Cultural Policy Initiative.

The Recording Academy is dedicated to improving the quality of life and cultural condition for music and those who make it. An organization of 18,000 musicians, songwriters, producers and other recording professionals, the Recording Academy is internationally known for the GRAMMY Awards, and is responsible for numerous groundbreaking outreach, professional development, cultural enrichment, education and human services programs.

An outstanding example of the Recording Academy's commitment to music is the National Recording Registry at the Library of Congress. It was an honor for me to be a sponsor with Representative STENY HOYER of the National Recording Preservation Act of 2000 which established the registry. The Recording Academy now works with the Library of Congress to ensure the preservation of our national audio heritage for the enjoyment and education of generations to come. As a result of these efforts the National Recording Registry at the Library of Congress includes early recordings by ragtime composer Scott Joplin, inventor Thomas Edison, and singer Bessie Smith, plus more recent works by Bob Dylan, Aretha Franklin, and Frank Sinatra.

The first 50 recordings in the National Recording Registry truly represent the breadth and brilliance of our recorded heritage in both music and the spoken word, and each year more landmark recordings will be preserved and protected through their addition to the Registry.

To further advance its cultural mission, the Recording Academy unveiled its GRAMMY Cultural Policy Initiative on September 17 in Washington. Neil Portnow, President of the Recording Academy, launched this Initiative on behalf of NARAS to advance the rights of recording artists through advocacy, education and dialogue. Coordinated by Daryl Friedman, Senior Executive Director of the Washington office of the Recording Academy, the advocacy team will utilize its chapters and membership nationwide to educate the public through seminars and other grassroots events.

The Academy is also set to launch the GRAMMY Town Hall, a nationwide series of discussions with music industry leaders on critical issues such as file sharing, copyright protection, and intellectual property.

Mr. Speaker, the importance of music to my life and to the lives of people around the world cannot be overstated. Music transcends borders and breaks down cultural barriers. Young

Americans reap the lifetime benefits from music instruction in our schools. Music creates timeless memories. Music strikes a chord in all of us.

We must also recognize the economic impact of music. One of the bright spots of the U.S. trade economy is our recording industry. Recorded music generates a trade surplus for our nation and is one of America's leading exports, touching virtually every nation on the planet.

Mr. Speaker, please join me in recognizing Mr. Portnow, Mr. Friedman and Recording Academy Chairman Dan Carlin for launching this important initiative.

PERSONAL EXPLANATION

HON. LINDA T. SÁNCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, in order to deal with the recent floods that struck the Lynwood, South Gate, Watts, and Willowbrook areas of my district, I was absent for rollcall vote 620 on S.J. Res. 22, recognizing the Agricultural Research Service; rollcall vote 621 on S.J. Res. 18, commending the service of Inspectors General; rollcall vote 622 on H. Con. Res. 299, honoring Sargent Shriver; and rollcall vote 623 on the motion to change the meeting times for Tuesday, November 18, 2003, to 10 a.m. for Morning Hour and 11 a.m. for legislative business.

Had I been present, I would have voted ''aye'' on each of these rollcall votes.

PERSONAL EXPLANATION

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. ORTIZ. Mr. Speaker, due to official business in my district, I was unable to vote during the following rollcall votes. Had I been present, I would have voted as indicated below.

Rollcall No. 620, ''yes''; rollcall No. 621, ''yes''; rollcall No. 622, ''yes''; and rollcall No. 623, ''yes.''

IN RECOGNITION OF THE 23RD STREET ASSOCIATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mrs. MALONEY. Mr. Speaker, I rise to pay tribute to the 23rd Street Association on the occasion of their Annual Award Luncheon. This year, the 23rd Street Association is honoring Cushman & Wakefield and Kenneth Krasnow for their dedication and service to the community.

Named New York Top Tenant-Rep Firm on Co-Star's Top 50 Manhattan Office Leases list, Cushman & Wakefield is the largest New York-based commercial real estate firm, representing tenants in three of the city's top 10 deals last year. The firm's retail brokers have also won the coveted Real Estate Board of New York (REBNY) Retail Deal of the Year Award every year since the award's inception. Cushman & Wakefield is New York City's largest property manager, managing approximately 52 million square feet of property. Founded in New York City in 1917, Cushman & Wakefield now operates 163 offices in 49 countries and employs over 11,000 professionals.

Ken Krasnow, Senior Managing Director for the New York Metro Region, joined Cushman & Wakefield in 1987 and spent ten years as a commercial leasing broker in Midtown Manhattan. Mr. Krasnow rose through the ranks, serving as Director of Business Development and Regional Managing Director for Cushman & Wakefield's Stamford and Long Island offices before his promotion to Senior Managing Director. Mr. Krasnow has responsibility for the firm's offices in midtown and downtown Manhattan, White Plains, NY, Stamford, CT, and Melville, Long Island, with approximately 175 brokers generating $200 million in annual revenue. Recently named one of Real Estate New York's ''40 under 40'' and one of Real Estate Forum's ''next great leaders,'' Mr. Krasnow is responsible for the strategic direction, business growth and development at Cushman & Wakefield as well as profitability of the region for the firm.

Despite his heavy business obligations, Mr. Krasnow has made time for civic and charitable works. He is active in numerous organizations, including REBNY, YM/WREA and the Westchester County Association, and serves as a member of the boards of the National Conference for Community and Justice, St. Mary's Foundation for Children and the Avenue of the Americas Association.

I would also like to commend the 23rd Street Association for its success in enhancing the quality of life for families and businesses in the area bounded by the Hudson and East Rivers from 17th to 28th Street. Incorporated in 1929 by 22 local business people, today's 23rd Street Association has approximately 300 members. Their projects include conducting business-training programs in local junior high schools, mobilizing the community to support a $2.5 million renovation of Madison Square Park, working with the local police to combat drug dealing and other crime, and developing annual summertime concert programming and children's entertainment in the community.

The Association is fortunate to represent individuals and organizations that are so committed to the advancement of their community. In recognition of the invaluable contributions and the selfless efforts of tonight's honorees, I ask that my colleagues join me in saluting the 23rd Street Association on 74 extraordinary years of service to the community.

APPOINTMENT OF CONFEREES ON H.R. 1904, HEALTHY FORESTS RESTORATION ACT OF 2003

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. ANDREWS. Mr. Speaker, I would like to join with my colleague, the Honorable BARTLETT in asking the members appointed as conferees of H.R. 1904 to preserve the language, approved by our Senate colleagues, enhancing the penalties for interstate commerce in cockfighting and dog fighting. Our freestanding legislation (H.R. 1532), which I have co-sponsored with Mr. BARTLETT, already has the bipartisan support of 122 cosponsors, and we are confident of the strong support for this legislation in the House. The House has also previously approved an amendment to the farm bill that covered the core provision of our legislation: increasing the maximum jail time to allow for the imposition of felony-level penalties for violations of Section 26 of the Animal Welfare Act.

We are not aware of any organizational opposition to the legislation, except from groups and individuals directly involved in dogfighting and cockfighting activities. On the other hand, we have secured endorsements from a wide range of veterinary, animal welfare, agricultural, and law enforcement organizations. In fact, more than 80 state and local law enforcement agencies have endorsed this legislation, as a necessary complement to their law enforcement efforts.

We believe that animal welfare warrants passage of the legislation. Both dogfighting and cockfighting involve animals pumped up with stimulants to make them more aggressive, whose handlers force them to keep fighting even as they suffer terrible injuries. Children are often exposed to these violent spectacles and taught that such animal suffering is enjoyable entertainment. Some dogfighters steal family pets to use as bait for training their dogs. Others abandon their fighting dogs, leaving them to roam and wreak havoc in our neighborhoods, or end up at animal shelters where they cannot be adopted due to their aggressive training. All in all, animal fighting is a brutal business that merits serious penalties.

However, there is also an economic reason to enact this legislation. In the fall of 2002, there was an outbreak of Exotic Newcastle Disease in southern California. The California state veterinarian has documented that the network of cockfighting enthusiasts in the Southwest was primarily responsible for the dramatic spread of this avian disease—which resulted in quarantines in California, Arizona, Nevada and Texas, and an extreme disruption of normal agricultural practices. Before the containment effort was completed, the federal government spent $200 million on containment and compensation, and ordered the killing of 3.8 million birds, primarily from commercial poultry operations. As a result, the Texas Poultry Federation and other agricultural organizations have embraced our legislation. By increasing the penalties for animal fighting, we may be able to shrink the size of the cockfighting industry and prevent future outbreaks of END, or other diseases that jeopardize our agriculture industry.

I thank the conferees for their consideration and hope that they will agree to include the Senate-passed animal fighting provisions in the final Healthy Forests legislation.

A BILL TO EXPAND THE TAX BENEFITS FOR THE NEW YORK LIBERTY ZONE

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. HOUGHTON. Mr. Speaker, today I am joined by my colleague from New York, Mr. RANGEL, in introducing a bill to extend the period that the New York Liberty Zone bonds can be issued by New York State and New York City, and to make other changes that would enhance the tax provisions that were included in the original New York Liberty Zone Benefits legislation. The provisions were part of the Job Creation and Worker Assistance Act of 2002, enacted on March 9, 2002, in order to aid in the rebuilding of downtown New York City after the devastation caused by the September 11, 2001, terrorist attack.

A loud thank you to the Congress for passing the original legislation. The benefits contained in the package were important and needed. The Liberty bonds have been an invaluable tool for those developments already assisted. They have been utilized, but not to the full extent, primarily due to the economic downturn that was underway and accelerated after the tragedy. While the market for new commercial real estate has been weak, it is estimated the bond allocation for residential projects will be exhausted by the end of next year.

The changes requested include: (1) extend the Liberty bonds expiration date to December 31, 2009 from December 31, 2004 to reflect a more realistic time line for the recovery of the commercial real estate market in New York City, (2) increase the amount of the Liberty bonds that can be used for residential development projects from $1.6 billion to $3.0 billion to provide more flexibility to accommodate greater than expected demand for new housing in Lower Manhattan, (3) eliminate the 100,000 square foot minimum for non-public utility projects outside the Liberty Zone, which has greatly hindered the development of much needed smaller utility projects, and (4) a technical correction to Section 1400L(c), which would permit eligible entities to ''opt out'' of the mandatory provision stating that taxpayers must depreciate their Liberty Zone leasehold improvements over an accelerated five year term. The latter change would be retroactive and would be consistent with other similar accelerated depreciation laws, and allows taxpayers to depreciate property over the normal depreciation period.

These changes are in the spirit of the original legislation. They merely reflect the different conditions, which exist now that did not exist in March of 2002. So in essence, we believe they are important to the recovery of New York City. They will help to ensure the full utilization of the tax benefits provided in the original Liberty Zone legislation. We urge our colleagues to support this important legislation.

HONORING THE GRAND OPENING OF EXCHANGE CITY—NEW ORLEANS

HON. DAVID VITTER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. VITTER. Mr. Speaker, I rise today to honor the grand opening of Exchange City—New Orleans, which took place on November 5th, 2003 at the City Park Campus of Delgado Community College. Through the partnership of Junior Achievement and the Learning Exchange, every fifth grade student in a 12-parish area of Southeast Louisiana will have the opportunity to experience first-hand how our American free enterprise system works and the effects of the economy on their everyday lives.

As the first Exchange City in Louisiana and the 18th Junior Achievement Exchange City in the United States, this 10,000 square foot indoor virtual city is equipped with sidewalks, a town square, a City Hall, and fourteen businesses. The Exchange City program includes a six-week curriculum covering English, Language Arts, Reading, Mathematics, Economics, Civics, and Data Analysis material. Fifth grade teachers will receive training on this curriculum and teach it to their students before their one-day visit to Exchange City.

During their one-day trip to Exchange City, students will elect a judge and a mayor to preside over their city. They will apply for jobs, receive pay checks, and take out loans to run their businesses. Students will operate a broadcast center with radio and television stations and learn about paying utility bills.

This innovative hands-on program is a wonderful opportunity for students in Southeast Louisiana to learn the importance of education. They will discover how the material they are learning in their classrooms directly applies to the real world. I commend Junior Achievement and all supporters of Exchange City—New Orleans for providing our children with such an outstanding and practical educational experience.

ARMED FORCES RELIEF TRUST PSA PROGRAM

HON. FRANK PALLONE JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. PALLONE. Mr. Speaker, I rise today to recognize a program that provides an important service to the men and women serving in our military.

With our armed forces deployed for extended tours of duty in both Iraq and Afghanistan, the pressures placed on family members left behind can be enormous. The longer our fighting men and women are stationed abroad, the more these needs continue to escalate.

Today, more than 140,000 troops are fighting the war on terrorism in Iraq, in Afghanistan, and around the world.

Many of our brave men and women have now been deployed much longer than expected. Some active units served in Afghanistan, returned home for six months, and were immediately re-deployed to Iraq. In many cases, a sole breadwinner is deployed, making it difficult on their family left behind to cope with medical bills or other unexpected expenses.

Today, I would like to recognize an effort undertaken by local radio and television stations to help address these issues. The National Association of Broadcasters is leading its local television and radio stations in a partnership with the Armed Forces Relief Trust to raise funds for military families in need.

By producing, distributing and airing radio and television Public Service Announcements, the NAB and its radio and television broadcast members are helping raise funds for those military families in need.

Last year, the four emergency assistance programs representing the Army, Navy, Air Force, and Marine Corps distributed more than $109 million in interest-free loans and grants to military families. Now that the four programs have combined efforts in one Trust, and more importantly, now that the trust is receiving generous access to the airwaves to get out its message, they will undoubtedly be able to provide even more assistance.

Mr. Speaker, all of us count on our service people who are far from home protecting us. Their families are enduring enough hardship in waiting for them to return. It is incumbent upon all of us to ensure their families do not want financially during this most difficult time.

I would like to compliment the local radio and television stations that are involved in this effort. As small business people, they are dedicating a valuable resource—airtime—to a timely and important cause. I salute their efforts.

H. CON. RES. 288, HONORING SEEDS OF PEACE FOR ITS PROMOTION OF UNDERSTANDING, RECONCILIATION, ACCEPTANCE, COEXISTENCE, AND PEACE AMONG YOUTH FROM THE MIDDLE EAST AND OTHER REGIONS OF CONFLICT

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. CROWLEY. Mr. Speaker, I rise in strong support of H. Con. Res. 288, Honoring Seeds of Peace for its promotion of understanding, reconciliation, acceptance, coexistence, and peace among youth from the Middle East and other regions of conflict.

I am a strong supporter of Seeds of Peace, which brings youngsters from conflict areas together to literally sow the seeds of peace and to develop the next generation of leaders. I have had the privilege of working with Seeds of Peace during my time in Congress and have seen the benefits of this program.

During July, Seeds of Peace had a breakfast in Congress and I was able to participate and eat with several campers. During the breakfast I had the opportunity to speak with several second year campers. Two of these campers were an Israeli and a Palestinian, these two boys had become close friends and they told me that regardless of the violence going on around them at home they still made efforts to see each other.

They told me about the difficulties they sometimes faced when security was tight entering Israel but they still made their efforts to

stay in contact. The boys told me that while they don't agree on everything they still work together to find a solution to whatever problem may arise, they are able to work it out.

Mr. Speaker, whether they are Arab or Jew, Greek or Turkish, Protestant or Catholic, Indian or Pakistani, bringing people together will achieve a lasting return in understanding and toleration.

I firmly believe that by working together, conflict can be overcome. The United States Congress, and our country should continue to support these people to people partnerships, which lay the groundwork for cooperation, coexistence and ultimately peace in the future.

TRIBUTE TO FRED AND ROXY LIGRANI

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MCINNIS. Mr. Speaker, it is with great pride that I rise today to recognize Fred and Roxy Ligrani of Grand Junction, Colorado. As farmers, Fred and Roxy have spent six decades working tirelessly to feed their fellow countrymen. They are making a difference in their community and touching the lives of their many neighbors in the Grand Valley. I would like to honor their accomplishments today before this body of Congress and this nation.

For the Ligrani brothers, farming runs in their blood; they grew up tending vegetables. Fred and Roxy's grandfather, Rocco, bought land in Grand Junction and developed it as a homestead in 1906. Respect and appreciation for the land, as well as knowledge of how best to cultivate it, are a rich heritage that the Ligrani family passes on from generation to generation.

Fred and Roxy's dedication to farming is evident from their customer's loyalty. The Ligranis have been recognized by American Vegetable Grower Magazine three times in the past. Even as the Grand Valley becomes urbanized, the Ligrani brothers remain focused on producing quality produce. They have maintained this dedication for 60 years.

Mr. Speaker, Fred and Roxy Ligrani have shown an extraordinary dedication to the citizens of Grand Junction. Their strenuous efforts offer hope to a world that is increasingly dependent on technology. These two talented and determined men are a shining example of the rewards of hard work and perseverance. It is my great honor to recognize the Ligranis before this body of Congress and this nation today. I wish them all the best in the future.

TRIBUTE TO MR. CHARLES P. IVERSEN

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. PASCRELL. Mr. Speaker, I would like to call your attention to an exceptional individual who I have long been proud to call my friend, Mr. Charles P. Iversen. On Friday, November 21, 2003, members of the Plumber's Union Local No. 14 will celebrate Charlie Iversen's retirement from the union by coming together to pay tribute to Charlie and his lifelong commitment to and leadership in the labor movement.

Over the past 45 years, Charlie Iversen has worked tirelessly on behalf of the men, women, and families in Plumber's Local No. 14. Using his administrative experience and talent for creative leadership to greatly improve the work environment and expand the business interests for plumbers throughout Northern New Jersey, Charlie has left an indelible mark on the lives of many, demonstrating the positive difference that a single person can make. It is therefore only fitting that he be recognized in this, the permanent record of the greatest freely elected body on earth.

In 1955, Charlie Iversen embarked upon what would become a distinguished career in the field of plumbing engineering when he took a position with William Zabransky Jr., Inc. During his time in the employ of William Zabransky, Charlie joined Local No. 326 as an Apprentice, and pursued certification in a UA Training Program at Purdue University. Upon his graduation from Purdue, he became an instructor at Plumber's Local No. 14 Training School while continuing to augment his own personal education at Kean College, Rutgers University, William Paterson College, and Fairleigh Dickinson University.

In 1982, after 27 years as an esteemed employee of William Zabransky, Jr., Inc., Charlie was elected to the position of Business Agent of Plumber's Local No. 14. In this capacity, Charlie exhibited his diligence as an administrator and his boundless enthusiasm as a spokesman for the business interests of Local No. 14, leading him to be named the Union's Business Manager/ Administrator in 1996.

Perhaps most inspiring is the way in which Charlie Iversen has balanced his love for his work with his interest in furthering the cause of the labor movement. As an active member of the American Society of Plumbing Engineers, a former Vice President of the New Jersey State Association of Pipe Trades, a Trustee of Plumber's Local No. 14 Pension, Welfare, Education, and Annuity Funds, and a Treasurer of Local No. 14's Political Action Committee, Charlie has worked hard to ensure that members of Local No. 14 receive the representation and benefits that they deserve. Through word and deed, Charlie has spent the last 45 years demonstrating that the only real success in life comes from a whole-hearted commitment to serving the members of the community in which you live and work.

Mr. Speaker, the job of a United States Congressman involves so much that is rewarding, yet nothing compares to recognizing the extraordinary efforts of individuals like Charlie Iversen. I ask that you join our colleagues, the members of the Plumber's Union Local No. 14, Charlie's family and friends, and me in recognizing Charles P. Iversen for his outstanding service to the families of Local 14.

TRIBUTE TO THE ALTOONA SYMPHONY ORCHESTRA

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. SHUSTER. Mr. Speaker, I rise today to congratulate the Altoona Symphony Orchestra on its 75th Anniversary and to thank the organization for the high-quality music with which it has provided its community.

The Gearhart String Ensemble was founded in the early years of the twentieth century upon the tradition of the early railroad bands and orchestras that were abundant throughout central Pennsylvania at that time. In 1928, the then strictly volunteer orchestra compiled of 24 musicians made its debut under the direction of Russell Gearhart. Since then, it has grown to employ more than 75 musicians and was renamed the Altoona Symphony Orchestra.

Although 75 years have passed, the orchestra maintains its youthful fervor with its diverse repertoire and inspiring attitude. The constantly changing roster of nationally and internationally renowned guest artists renders a different sound for every concert, keeping the audience attentive and entertained. With this vast array of musical talent, the symphony orchestra provides an invaluable cultural experience to the communities of Central Pennsylvania through its mastery of classical music pieces.

The orchestra continues to produce music that rivals the masterful and highly acclaimed sound of the Boston Pops, and is recognized as one of the outstanding Pennsylvania symphony orchestras. As a result of the dedicated, hard work of its Board of Trustees, the orchestra has progressed immensely, and it will undoubtedly continue to do so under its guidance and leadership. I congratulate the Altoona Symphony Orchestra on a wonderful 75 years and look forward to its sounds of tomorrow.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this Chamber on November 17, 2003. I would like the record to show that, had I been present, I would have voted ''yea'' on rollcall votes 620, 621, 622 and 623.

HONORING SOUTHERN CALIFORNIA FIRE FIGHTERS

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. SOLIS. Mr. Speaker, I rise today to speak about the courage of fire fighters from Los Angeles County Fire Department. Firefighters in my community, from the cities of Azusa, Baldwin Park, Bradbury, Claremont, Covina, Duarte, El Monte, Glendora, Irwindale, Rosemead, San Dimas, South El Monte, Temple and Unincorporated areas of Los Angeles County, fought the fires and saved the lives and homes of countless people. Had it not been for the rapid response and bravery of firefighters, the loss of life, the damage to residents, housing, and commercial property would have been much worse.

I am hopeful that if we learn one lesson from this horrible disaster, it will be that more

financial resources need to go towards helping fire departments protect people. According to the Forest Service, more than 90 percent of wild land fires are the result of human activity, and fires are almost twice as likely to start near roads than in the wilderness.

Even though they are adjacent to some of America's largest communities, Southern California forests only receive a fraction of the money they need to manage fire every year. Last year, Southern California forests received only $4 million out of the $53 million spent on California fire reduction—a mere 8 percent of the fire funding distributed to California's National Forests.

The Southern California fires demonstrate that the federal government must spend its fire management dollars near communities. Firefighters should not be put in harms way when we can prevent future tragedies by making communities near forest areas.

Our Nation is blessed with brave men and women who protect our homeland from every potential danger and the risk of their own safety to demonstrate their commitment to the state of California. They are true American heroes and I thank them on behalf of my constituents.

PERSONAL EXPLANATION

HON. GINNY BROWN-WAITE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I rise today to make a clarification to my voting record. I returned early this morning from a Congressional Delegation trip to Iraq. Unfortunately, while I was away, I was unable to cast a recorded vote on three measures passed yesterday. Had I been present, I would have voted in favor of:

S.J. Res. 22—A resolution recognizing the Agriculture Research Service of the Dept of Agriculture.

S.J. Res. 18—A resolution commending the Inspectors General.

H. Con. Res. 299—Honoring Mr. Sargent Shriver.

SENSE OF THE CONGRESS RESOLUTION TO COMBAT OBSTETRIC FISTULA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. TOWNS. Mr. Speaker, today, I rise to introduce a Sense of the Congress resolution which will draw attention to a tragedy which affects thousands of women around the world each year.

Obstetric fistula is a major pregnancy-related complication. It occurs when a woman is in obstructed and prolonged labor without medical help. The prolonged pressure of the baby's head against the mother's pelvis cuts off the blood supply to the soft tissues surrounding her bladder, rectum, and vagina. Because of the prolonged and difficult labor, the baby usually dies. However, if the mother survives, the physical and emotional consequences are devastating. The injured tissue soon rots away, leaving a perforation, or fistula which causes the woman to lose control over urination and/or bowel function. Because of a lack of understanding about the cause and treatment of fistulas, women who are fistula sufferers are often abandoned by their husbands, forced out of their homes, and ostracized by family.

Although currently virtually unknown in the western world, fistulas were once common in the United States and Europe before the advent of widespread maternal healthcare and hospital births. The current estimates of one million fistula sufferers may be very conservative. Actual sufferers may number over 3 million throughout the developing world. This suffering can be readily ameliorated with reconstructive surgery. Fistula surgical repair has up to a 90 percent success rate and ranges in cost from $100–$400. Although this surgery is inexpensive by American standards, for women in the developing world, this cost is prohibitive. Even if the surgery is affordable, many women in developing countries are either unaware of treatment options or unable to access treatment.

A recent report, Obstetric Fistula Needs Assessment: Findings from Nine African Countries, commissioned by the United Nations Population Fund (UNFPA) details fistula occurrence in nine countries in sub-Saharan Africa: Benin, Chad, Malawi, Mali, Mozambique, Niger, Nigeria, Uganda and Zambia. There are currently 35 hospitals in the aforementioned countries which have the capacity to conduct fistula surgery, but are without the financial resources.

The United States House of Representatives should address this issue. To that end, I am introducing a Sense of the Congress Resolution which acknowledges the need of the U.S. government to take steps to end the needless suffering of these women.

I request that my colleagues support this bill.

TRIBUTE TO THE HUNTINGDON LADY BEARCATS

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. SHUSTER. Mr. Speaker, I rise today to congratulate the Huntingdon Lady Bearcats on their PIAA, Class AA volleyball State championship.

The Bearcats overcame the odds against them and handily defeated their competition in the tournament. United behind their strong coach, Priscilla Gibboney, the high school girls got everyone involved in each match, allowing the underestimated team to hand out losses to taller, more experienced opponents.

The Huntingdon Lady Bearcats have claimed two team State championship titles in the school's history, which is a great testimony to the unique character of this team. They fought through obstacles and kept their composure, and their unwillingness to quit led to their perseverance. I congratulate the Huntingdon Lady Bearcats on their State championship and I look forward to hearing of their continued success in next year's season.

Led by head coach Priscilla Gibboney and assistant coach David Kemp, the 13 members of this championship team include Seniors Tara McMinn (Captain), Megan Goss, Laura Madden, Meredith Orr, Katie Criswell, Jordan Rackley, and Sara Kylor; Juniors Hadley Hammers, Bethany Kozak, and Jenna Sheffield; Sophomores Olivia Hallahan and Emily Kemp; and Freshman Greta Gibboney. Congratulations one and all.

PERSONAL EXPLANATION

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MENENDEZ. Mr. Speaker, yesterday I was tending to official business and was not present for Roll Call Votes 620 through 623. The votes were on Senate Joint Resolutions 22 and 18, House Concurrent Resolution 299, and on a motion to the meeting time of the House, respectively. Had I been present, I would have voted ''yea'' on these measures.

TRIBUTE TO MOTHER ESSIE BAXTER JONES

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. LOFGREN. Mr. Speaker, I rise to congratulate Mother Essie Baxter Jones, for her 100th birthday celebration.

Mother Essie Baxter Jones was born the third of nine children on March 23, 1903 in Kilgore, Texas, Gregg County, Route 1. In 1903, Route 1 was simply a horse and buggy trail; today, it is a superhighway, Highway 1252. Growing up, she worked on a farm where she learned about growing cotton, corn, peanuts, white potatoes, sweet potatoes and watermelons, and also helped her father build churches throughout the community.

Later on, she operated a successful family store and café for those who came to work in the oil fields in Kilgore and afterward built her own café in Odessa, Texas. She also worked in the defense industry sewing tents and cooking for the soldiers in Waco, Texas.

Having moved here in 1963, Mother Essie Baxter Jones has been a resident of San Jose, California for 40 years and, throughout that time, she has been actively involved in the community, including her work in the Prayer Garden Church of God in Christ and Templo Juan 3:16 in San Jose, California.

Her ''secrets'' for lifelong happiness are: ''Honor, obey and respect your mother and father; trust in the Lord and obey His Word; deal fairly with everyone; and save some of the money that you earn.''

I want to thank Mother Essie Baxter Jones for her many years of service to our community and congratulate her on this milestone birthday, her 100th. Much has changed for the better during her lifetime and she contributed to the positive changes. May God bless her with years of happiness and service.

CONGRATULATING UF'S WOMEN'S TENNIS TEAM

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. STEARNS. Mr. Speaker, it is with great pleasure that I rise today to recognize the 2003 University of Florida women's tennis team, for achieving the highest honor in collegiate play, the NCAA title. The Gators upset the top-ranked and two time defending champion Stanford in front of a spirited sellout crowd at Linder Stadium at Ring Tennis Complex in Gainesville, Florida.

This week the University of Florida women's tennis team has been invited to The White House to participate in the 2003 NCAA Spring Sports Championship Day, recognizing the NCAA team champions from the 2003 spring season. The 2003 Gator team will be UF's fourth national championship team to visit The White House, joining the 1996 football team, the 1998 soccer and 1998 women's tennis teams. I congratulate the Women's Tennis Team on their exceptional 2003 season and wish them the best of luck in 2004. Go Gators!

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this Chamber on May 13, 2003. I would like the record to show that, had I been present, I would have voted ''yea'' on rollcall votes 183, 184, and 185. On May 19, 2003, I was also unavoidably absent from this Chamber. I would like the record to show that had I been present, I would have voted ''yea'' on rollcall votes 192, 193, and 194. Furthermore, I was absent from this Chamber on May 23, 2003, and had I been present in this Chamber, I would have voted ''nay'' on rollcall vote 226.

TRIBUTE TO DR. MARGARET ALLEN, DR. RAMONCITA (RAYE) MAESTAS, AND DR. CHRISTINE SURAWICZ

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. MCDERMOTT. Mr. Speaker, I rise today to pay tribute to three outstanding physicians, Dr. Margaret Allen, Dr. Ramoncita (Raye) Maestas, and Dr. Christine Surawicz, who have been nominated for the Local Legends project, sponsored by the American Medical Women's Association and the National Library of Medicine, to celebrate the lives and achievements of America's women physicians around the country.

Dr. Allen currently is Medical Director at the Hope Heart Institute in Seattle, where she conducts promising research on tissue repair and remodeling in cardiovascular disease, and cardiovascular gene therapy.

Dr. Allen is a pioneer in the field of cardiovascular disease. A cardiothoracic surgeon by training, she was recruited in 1985 by the University of Washington to develop and head its cardiac transplant service. This program received accreditation under Dr. Allen's leadership, and it has been a strong regional asset for many years. Dr. Allen served as director of the program from 1985 to 1996, and also directed the Pediatric Cardiac Transplant Program at Children's Hospital and Regional Medical Center.

Dr. Allen has been active in numerous professional and non-profit organizations throughout her career. Among other positions, she has served as President of the United Network for Organ Sharing (UNOS). Dr. Allen has worked diligently to improve access to organ transplantation and to diminish disparities in access across communities.

Dr. Maestas is a family physician at Harborview Medical Center in Seattle, and a member of the faculty at the University of Washington School of Medicine. Dr. Maestas has dedicated her professional career to caring for the medically underserved. Following her residency, Dr. Maestas practiced at the SeaMar Clinic, a federally qualified health center serving a largely Hispanic population. She then practiced and taught at the Providence Family Practice Residency Program within the Providence health care system, which has a long history of charitable care in the Seattle area. Her current practice site, the Harborview Medical Center, provides much of the safety net care to Seattle and King County residents.

Dr. Maestas is a distinguished educator. She serves on the faculty at Providence and the University of Washington, and is a leader in developing the new medical school curriculum at the University of Washington. Dr. Maestas also has made significant contributions to the community. Her prominent work on issues of domestic violence and cultural competency has gained her national recognition.

Dr. Surawicz is a gastroenterologist and faculty member at the University of Washington School of Medicine in Seattle. Dr. Surawicz has distinguished herself as a clinician, educator, researcher and administrator throughout her career at the University of Washington. She has directed the Gastroenterology Department since 1981, and since 1993 has served as Section Chief of Gastroenterology at Harborview Medical Center, which serves Seattle and King County. In 2002, Dr. Surawicz was appointed Assistant Dean for Faculty Development in the School of Medicine, a measure of the regard for her leadership among her peers.

Dr. Surawicz is widely recognized in her field of gastroenterology. She has published extensively in national and international peer-reviewed journals, and has held several board-level positions in national organizations, including service as President of the American College of Gastroenterology, and as Chair of the FDA's Gastrointestinal Drug Advisory Council.

I am honored to announce the selection of these physicians, nominated by their peers, each of whom has made significant contributions to her field of medicine and to her community. These extraordinary women are to be congratulated for their years of dedication and hard work. I ask my colleagues to join me today saluting Dr. Margaret Allen, Dr. Ramoncita (Raye) Maestas, and Dr. Christine Surawicz for their service and commitment to their profession and to our community.

CHARITABLE GIVING ACT, H.R. 7

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. SOUDER. Mr. Speaker, why are we holding the poor hostage?

Earlier this year, both the House and the Senate overwhelmingly passed legislation that would provide non-itemizers the ability to claim a tax deduction for charitable giving. Yet here we are nearing the end of this session, and have yet to see a conference committee take up the legislation. Instead we have seen a great deal of negative rhetoric designed not to help the poor of our nations, but to advance individual political goals.

The money for social services needs to get into the hands of the men and women who are making the biggest impact on the lives of their communities. If we in Congress are to be good stewards of the public trust, we have to be certain that the money we dedicate for social services goes into the hands of the most effective organizations. To do otherwise would be a violation of the public's trust in us.

What we are talking about with the Charitable Giving Act, however, is not a case where we as the Congress have to make a decision about where the money should go. This legislation allows individuals across the nation to make those decisions. Who better to identify a communities needs, and the organizations that are most effectively addressing those needs, than the men and women who live and work in that community? I believe that the best way we can help the faith-based and community organizations who need financial assistance is to encourage private sector philanthropy for all individuals who contribute to charitable organizations, not just for those who itemize their tax returns. Approximately two-thirds of tax returns filed do not claim itemized deductions; therefore those individuals are unable to deduct their charitable giving. The majority of non-itemizers are low- and middle-income taxpayers These are the very taxpayers who would benefit from the Charitable Giving Act, and these are the very people are our best indicator of the effectiveness of an organization.

This legislation also has included a $150 million authorization for the Compassion Capital Fund. This authorization recognizes the unique contributions of smaller community and faith-based service organizations by making it possible for these organizations to obtain a grant that they can use to expand their impact on their neighborhoods. Many of our neighborhood service organizations do not possess the capacity to manage a million dollar grant. This does not mean that these smaller organizations are not effective. On the contrary, they may be the best organizations in town. Through the Compassion Capital Fund, intermediaries are able to issue smaller grants, and provide technical assistance that will allow more organizations the ability to increase their services to the poor.

The Charitable Giving Act contains, in large part, what I believe are the most significant ways the Federal Government can lend its

support to social service organizations across the country. The government can be helpful in alleviating some of the problems facing our communities today, but we will never have enough resources to help everyone. We need to team up with faith-based and community organizations of all types to ensure that no matter how serious a person's need, they will have someplace to go for help. That place could be the local government agency, it could be the local church, or a community center. Partisan debate, while very entertaining, will not ultimately help the poor and hurting. Passing this legislation will. We all need to work together for the greater good by dropping the rhetorical bickering and get this legislation to the President's desk.

HONORING ROBERT ''BOBBY'' MCDONNELL

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. PELOSI. Mr. Speaker, it is with great personal sadness that I pay final tribute to a good friend and a great leader in the San Francisco community—Robert ''Bobby'' McDonnell—who died on August 17th. His extraordinary work in the labor movement and in the community earned him the respect and appreciation of the City of San Francisco.

A native San Franciscan, Bobby graduated from Marin Catholic High School and attended the College of Marin and the University of San Francisco. Bobby McDonnell had a long and distinguished career dedicated to the working men and women of the San Francisco Bay Area. He served as Field Representative and as Secretary-Treasurer for the Laborers' International Union of America, AFL-CIO, Local 261 from 1968 to 1999. He was an Executive Board Member of the San Francisco Labor Council, and also a member of the San Francisco Building and Trades Council. His fierce commitment to the labor movement never ceased, and he advocated labor issues at every opportunity from coast to coast.

He was a member of the Golden Gate Bridge District's Board of Directors from 1984 until the time of his death, where he worked tirelessly to maintain a great public agency. His achievements during his long tenure are too many to list, but in all his endeavors, he served with passion, integrity and excellence.

He was a devoted and enthusiastic godfather to St. Vincent's School for Boys. He unselfishly worked as a volunteer, organizer and fundraiser not only for St. Vincent's, but also the United Way, the United Irish Cultural Center and the Amigos of Central Latino. One of his favorite activities was playing Santa Claus for the different organizations where he volunteered. It was a perfect job for him, because those who knew him say he spread joy and humor wherever he went.

To his wife Mary, his brother Danny, his stepsons Jerry, Michael, David and Harry, I extend my deepest sympathy and my profound appreciation for your sharing Bobby with us. We miss him greatly.

RECOGNIZING NATIONAL DIABETES AWARENESS MONTH

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. SOLIS. Mr. Speaker, I rise today to recognize the month of November as National Diabetes Awareness Month.

An estimated 18.2 million people in the U.S., or 6.3 percent of the population have diabetes. According to the Centers for Disease Control and Prevention (CDC), while an estimated 13 million have been diagnosed with diabetes, 5.2 million do not even realize they are diabetics. The American Diabetes Association estimates the economic cost of diabetes in the U.S. in 2002 was $132 billion, or one out of every 10 health care dollars spent.

Diabetes is the number one disease-related cause of death in Los Angeles County. In California, more than 1.4 million California adults and 12,000 adolescents have been diagnosed with diabetes. Among adults ages 50–64, diabetes prevalence was significantly higher among African Americans (20.5 percent) and Latinos (17.9 percent) than whites (8.3 percent). Additionally, 176,000 adolescents not diagnosed with diabetes were at risk because they did not participate in regular physical activity and were overweight or at risk for being overweight.

I have been active in the efforts to combat diabetes because I know the burdens it imposes on people and their families. I am a cosponsor of the Diabetes Prevention Access and Care Act (H.R. 1916) which directs the National Institutes of Health to support research with respect to pre-diabetes and diabetes, particularly type II diabetes. This important legislation will help all Americans by providing much-needed diabetes prevention and outreach.

Although diabetes is an epidemic that is widespread, complicated, and severe, it can be controlled. Taking small steps like healthy diets and physical activity can lead to big rewards. Diabetes is a disease that permeates our communities, families, and friendships and we must do all that we can to stop the spread of this deadly disease.

TRIBUTE TO FIRST LIEUTENANT TODD JASON BRYANT

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. CALVERT. Mr. Speaker, I rise to pay tribute to a hero from my congressional district. Earlier this afternoon, I had the distinct honor to attend the funeral service for Todd Jason Bryant, First Lieutenant, United States Army at Arlington National Cemetery. Today I would ask that the House of Representatives honor and remember this incredible young man who died in service to his country.

Todd was born on January 14, 1980, in Long Beach, California. Todd came from a military family and his desire and determination to join the military was resolute. He enlisted in the Army Reserve and completed Basic Training at Fort Sill, Oklahoma before his senior year of high school. He came to my office for an appointment to the U.S. Military Academy at West Point. I was proud to nominate this ambitious young man who I knew would distinguish himself at West Point, just as he had done his whole life.

He interned in my office before his senior year at West Point and graduated with a degree in Political Science on June 1, 2002. He would often joke that he was going to run for my congressional seat someday—I have no doubt he would have succeeded. After graduation, Todd attended the Armor Officer's Basic Course at Fort Knox, Kentucky, graduating in December 2002. He reported to Fort Riley, Kansas in January 2003, and was initially assigned to Headquarters and Headquarters Company, 1st, Battalion 34th Armor Regiment where he served as an Assistant Operations Officer. In April of 2003, Todd was reassigned to C Company, 1–34 AR where he assumed duties as Platoon Leader, 3rd Platoon. On August 30, 2003, Todd and Jenifer Reardon were married in Pennsylvania, nine days before shipping out with his unit in support of Operation Iraqi Freedom. On Friday, October 31, 2003, Todd was killed by an explosive device as his Humvee traveled on a road between Fallujah and Baghdad. He was 23 years old.

As we look at the incredibly rich military history of our country we realize that this history is comprised of men, just like Todd, who bravely fought for the ideals of freedom and democracy. Each story is unique and humbling for those of us who, far from the dangers they have faced, live our lives in relative comfort and ease. Today was probably the hardest day the Bryant family has ever faced and my thoughts, prayers and deepest gratitude for their sacrifice goes out to them. There are no words that can relieve their pain. Larry and Linda Bryant have raised an extraordinary family. Their oldest son, Tim is a Major in the Marines, their daughter, Tiffany, is a Captain in the Army and Todd, First Lieutenant in the United States Army, recipient of the Meritorious Service Medal, National Defense Service Medal Army Service Ribbon, Bronze Star, and the Purple Heart has been laid to rest in our country's most distinguished military cemetery.

His wife and family have all given a part of themselves today in the loss of their loved one and I hope they know that their son, the goodness he brought to this world and the sacrifice he has made, will not be forgotten.

MOURNING THE DEATH OF CHARLEY SCHNEIDER

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. PORTER. Mr. Speaker, I rise today to mourn the passing of a good friend and a pillar of the community in Southern Nevada, Charley Schneider. I had the privilege of working with Charley, and cannot do justice to what a great person and friend Charley was.

Charley Schneider was born in San Antonio, Texas in 1938, but moved to Basic, Nevada, as Henderson was known at the time, in 1949. He was a graduate of Basic High School and worked at Farmers Insurance for 33 years.

Charley was a wonderful person to work with, always willing to lend a hand, listen when you needed to talk to someone, and helped customers above and beyond the requirements of his job. Charley retired from Farmers 3 years ago, and looked forward to being able to spend more time with his wife Maggie and daughter Stevie. Sadly, Charley passed away last weekend at the age of 65. I urge all members of this House to join me in mourning the passing of Charley Schneider and extending our condolences to the family and friends who greatly loved him.

TRIBUTE TO THE MOUNTAIN LODGE NO. 281, F.&A.M. AND THE JUNIATA LODGE NO. 282, F.&A.M.

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. SHUSTER. Mr. Speaker, I rise today to congratulate the Mountain Lodge No. 281, F.&A.M. and the Juniata Lodge No. 282, F.&A.M. on their 150th Anniversary and to thank them for their service and dedication to their community.

From its home town of Edinburgh, England, the Honorable Fraternity of Freemasonry came to Pennsylvania in 1730 on a mission to spread the Masonic vision of a ''Brotherhood of man under the Fatherhood of God.'' Out of this need for brotherhood, the Mountain Lodge and Juniata Lodge were founded on December 8, 1853. Since that date these two lodges have consistently exhibited the qualities to which they are committed, sharing with their community a moral code based upon honesty, strength of character, and the highest standard of ethics.

The Freemasons lead their communities by the example that they set in their own lives as they work to uphold the very pillars of the American society. Each Freemason is taught to be true, the crucial attribute that provides the basis for all virtues of man, and to maintain a devotion to spirituality and intellectual growth. Additionally, they bear a strong commitment to artistic and cultural excellence. While cultivating all of the above characteristics, a freemason's family values remain strong and devoted. These organizations have not only enriched the lives of their members, but of those in the surrounding communities who have undoubtedly benefitted from the charity, education and service that they have repeatedly provided.

This nation was built by a group of men, bound by brotherhood under the direction of God, who believed in the natural rights of freedom and democracy. The members of these Masonic lodges have worked daily for 150 years to preserve that ''Brotherhood of man under the Fatherhood of God,'' and the standard of excellence upon which it was founded. The growing and active memberships of these organizations are a symbol of the community's devotion to success and the promise that is to come. As a proud member of the Juniata Lodge, I congratulate these two Masonic lodges on their 150th Anniversary and thank them for all their hard work and service.

NATIONAL FAMILY CAREGIVERS MONTH

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. LANGEVIN. Mr. Speaker, as you may know, November is National Family Caregivers Month, and I rise today to celebrate and honor our nation's caregivers. Nationwide, more than 25 million caregivers annually provide over $200 billion in unpaid care to their loved ones with disabling and chronic conditions. More importantly, this voluntary care allows seniors and others to continue living at home, which improves their spirits and often speeds up recovery.

Family caregiving comes in many forms—from the mother raising a child with developmental disabilities and fighting for her child's right to an education, to the wife caring for her husband with Alzheimer's Disease and enduring that anguish. There are as many unique situations as there are family caregivers. But, what these caregivers all have in common is their compassion, their dedication and their selflessness. Family caregiving contributes to family stability, and it often spares families from more costly, out-of-home placements. These people are the quiet heroes of our nation. However, too often, they are also silent sufferers.

Most caregivers freely and willingly provide this care out of love and commitment, but often at great cost to themselves physically, emotionally, and financially. Studies show that many caregivers stretch themselves so thin that they jeopardize their own health and ability to provide continued care to their dependent loved ones.

In my home state of Rhode Island, Tracey Laranjo is the mother of ten-year-old Tyler. Tyler is bipolar and suffers from Severe Attention Deficit Hyperactivity Disorder, Obsessive Compulsive Disorder, and certain developmental disabilities. Tyler is also an important member of the Laranjo family—the gifts and the love he brings to his parents and older brother are not really different than any other ten year old. Tyler is a lucky child, with parents who have fought long and hard to get him the mental health services that he needs, while educating themselves about how to take care of their son. But not surprisingly, sometimes Tracey is exhausted. After a long wait, she was fortunate enough to recently access respite care services in Rhode Island and can now take an occasional break, knowing that her son is being properly cared for. She refers to these respite hours, 110 hours per year, as ''gold''—saving them for times she knows she needs them, and grateful for every minute. These hours give Tracey time to recoup without feeling guilty, and let her reflect on the special child she has been blessed with.

Just a few hours of respite can go a long way in keeping a family together, keeping a child at home, and turning a situation where a vulnerable person was at risk of abuse into one where that same person feels loved, respected and valued. No family should ever be denied this kind of assistance.

However, the vast majority of family caregivers does not have access to respite, cannot afford it, cannot find qualified, trained respite services or providers, or do not qualify for existing respite benefits because they are not Medicaid eligible or do not meet the limited eligibility requirements of other narrowly-targeted state or federal programs. As we celebrate National Family Caregivers Month, we must remember that for a person providing intense and exhausting care 24 hours a day, 7 days a week, 365 days a year, an occasional short break can literally be a lifesaver.

In keeping with the Supreme Court's Olmstead decision requiring states to ensure that individuals with disabilities and chronic conditions are able to live and work in the least restrictive environment, respite provides the support caregivers need to avoid or delay institutional placements.

We can recognize and honor the nation's caregivers by passing the Lifespan Respite Care Act of 2003, which I introduced this spring. H.R. 1083 would authorize competitive grants to states and other eligible entities to make respite available and accessible to family caregivers, regardless of age or disability. This legislation would help states maximize use of existing resources and leverage new dollars by building on current services and systems that states already have in place. The bill would support planned and emergency respite, respite worker training and recruitment, caregiver training, and program evaluation.

The Senate has already passed the Lifespan Respite Care Act of 2003. I urge my colleagues to join the 85 bipartisan cosponsors of the House bill and ask that the House take immediate action to pass it in time to honor the nation's caregivers in celebration of National Family Caregivers Month.

OIL AND GAS INDUSTRY, YOU'VE GOT A FRIEND (OR 246) IN CONGRESS

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Mr. FILNER. Mr. Speaker, today is a sad day in the history of Congress. Today one industry has hijacked a political party and that party has bulldozed a poor energy policy through this body.

The U.S. Congress is often held up and revered as the model of Democracy. Yet this bill has been bad news for Americans—and our form of government—from the start. First, the Administration, led by Vice President CHENEY, held secret meetings with energy industry insiders to determine what they wanted from an energy policy—what the energy industry wants should not be confused with what the nation needed from an energy policy. Next, after a heavy-handed process, a bill, H.R. 6, was passed in this body. The bill then moved into conference, at which point, the two Republican co-chairs decided that they would write the nation's energy policy by themselves with no input from Democrats, but with plenty of input from lobbyists looking out for their oil, gas and other energy industry clients. The energy bill went from bad to worse as, at the last minute, many sweetheart deals were added that had never been passed by either body. Never before has the energy industry had such a friend in the White House and such great friends in the Congress—we know now that GOP does indeed mean ''Gas, Oil, and Petroleum''.

Thus far, I have only addressed the problems with the process surrounding this bill. The problems with the policy are too numerous to name here, but I want to highlight some of the more outrageous:

It does not improve our energy security and does nothing to promote renewable energy sources. This bill funnels billions of dollars into the oil and gas industries, making us more dependent than ever on foreign sources for these resources. In fact, only ⅓ of the subsidies in this bill go toward promoting clean, renewable energy that we can find right here in the U.S.A. The policy before us today is stuck in the 20th century and does not take advantage of the advances in technology in the clean and renewable energy arena, and prefers to favor older, dirtier methods to generate our energy supply.

It does not protect our water from contaminants that can cause serious health problems. This bill actually protects MTBE (methyl tertiary butyl ether) producers from product liability suits. MTBE has been proven to be harmful to our health, yet this bill leaves the taxpayers to clean up the mess and lets the producers off scot-free. California, more than any other state has been affected by MTBE. In some cities, many of the drinking water wells are now unusable because of MTBE contamination.

It exempts the oil and gas construction activities from Clean Water Act controls on stormwater runoff. I introduced a motion to instruct conferees on H.R. 6 that would have struck language that gave oil and gas construction activities a free pass from controlling their stormwater runoff. This exemption makes them the only construction activity that does not have to take measures to ensure that runoff from their construction sites does not pollute our lakes, streams and rivers. Unfortunately, my motion did not pass and this harmful handout to the oil and gas industry remains.

It does not address the problems that caused the California Energy Crisis of 2000–2001. This bill does nothing to prevent the kind of market manipulation that caused energy prices to skyrocket in California. Even the most conservative estimates indicate that California lost over $9 billion to this manipulation by energy companies. This bill leaves California—and the rest of the Nation—without any protections against market manipulation.

It is for these reasons and many more that I cannot and will not support this awful bill. This bill has been bought and paid for by the energy industry—mostly the oil and gas industries. Unfortunately, all Americans will pay the price for this bad bill.

ENERGY POLICY ACT OF 2003

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 2003

Ms. LEE. Mr. Speaker, the Energy Policy Act of 2003 that unfortunately passed this afternoon is a failure in process and policy.

The Republican majority squandered a historic opportunity to forge a truly bipartisan consensus that would meet the nation's immediate needs while expanding conservation and encouraging renewable energy to wean us from foreign oil.

The Republican majority has steamrolled concerns, facts, and opposition, all to benefit powerful energy industries at the expense of American people.

This bill not only fails to promote a healthy energy policy, it will also cost the American people over $140 billion over the next decade.

These costs include industry subsidies, tax-breaks, authorizations for new government spending, and mandates that increase consumer prices for gasoline and electricity.

This legislation continues the Bush administration's rollbacks of environmental protections while steamrolling the public interest.

It was written for big energy companies by big energy companies to benefit big energy companies, with a $16 billion package of tax breaks and production subsidies for the oil, coal, and nuclear industries.

Mr. Speaker, this bill threatens more than the pocketbooks of the American people, it also poses an imminent threat to our Nation's air quality, drinking water, and public lands.

We see this threat to our public health most clearly in my home State of California.

MTBE, a known cause of cancer, is leaking out of storage tanks, but this bill shields MTBE producers and oil companies from product liability lawsuits and pays them $2 billion.

This gasoline additive, intended to reduce air pollution, has contaminated groundwater supplies in numerous California communities.

In addition to weakening clean water protections, this bill will crack open the door for offshore drilling by shifting control of projects off California's coastline toward the Federal Government.

It also requires a faster permitting process and the easing of some environmental rules to promote energy development on public lands.

This bill will cause catastrophic harm to the public health and the public interest.

This bill is a total failure based on tax-breaks and subsidies alone.

What makes this bill even more difficult to stomach is the possibility of what could have been.

This bill does not, for example, provide a clear direction for the development of the electricity grid.

This bill also does not encourage the U.S. car industry to manufacture vehicles that consume less fuel and produce fewer pollutants.

Additionally, this bill does not significantly encourage energy conservation and it does nothing to wean this country from oil and gas imports.

Tragically, America needs a new energy policy. Just not this one.

We need an energy bill that would remove subsidies and market distortions.

We need a progressive energy policy that would invest in energy efficiency and renewable energy sources instead of fossil fuels. Such a policy would create four times as many jobs without adding to the deficit, burdening taxpayers, or poisoning our air and water.

I strongly opposed this bill because of its complete failure to protect America's environment, protect America's health, and protect American taxpayers.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, November 20, 2003 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 21

9 a.m.

Foreign Relations

To hold hearings to examine the nomination of James C. Oberwetter, of Texas, to be Ambassador to the Kingdom of Saudi Arabia.

SD–419

10 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine the nomination of Steven J. Law, of the District of Columbia, to be Deputy Secretary of Labor.

SD–430

NOVEMBER 24

10 a.m.

Judiciary

Business meeting to consider pending calendar business.

SD–226

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S15105–S15210

Measures Introduced: Eight bills and one resolution were introduced, as follows: S. 1889–1896, and S.J. Res. 25. **Page S15187**

Measures Reported:

S. 551, to provide for the implementation of air quality programs developed in accordance with an Intergovernmental Agreement between the Southern Ute Indian Tribe and the State of Colorado concerning Air Quality Control on the Southern Ute Indian Reservation, with an amendment. (S. Rept. No. 108–201)

S. 733, to authorize appropriations for fiscal year 2004 for the United States Coast Guard, with an amendment in the nature of a substitute. (S. Rept. No. 108–202)

S. 1218, to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program, with an amendment in the nature of a substitute. (S. Rept. No. 108–203) **Page S15186**

Measures Passed:

Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act: Senate passed S. 1156, to amend title 38, United States Code, to improve and enhance provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, after agreeing to the committee amendment in the nature of a substitute, and the following amendments proposed thereto: **Pages S15123–33**

Thomas (for Specter/Graham (FL)) Amendment No. 2203, in the nature of a substitute. **Page S15132**

Thomas (for Specter) Amendment No. 2204, to amend the title. **Pages S15132–33**

Veterans Benefits Act: Committee on Veterans Affairs was discharged from further consideration of H.R. 2297, to amend title 38, United States Code, to improve benefits under laws administered by the Secretary of Veterans Affairs, and the bill was then passed, after agreeing to the following amendment proposed thereto: **Pages S15133–40**

Thomas (for Specter/Graham (FL)) Amendment No. 2205, in the nature of a substitute. **Page S15140**

Presidential Medal of Honor: Senate agreed to H. Con. Res. 313, to urge the President, on behalf of the United States, to present the Presidential Medal of Freedom to His Holiness, Pope John Paul II, in recognition of his significant, enduring, and historic contributions to the causes of freedom, human dignity, and peace and to commemorate the Silver Jubilee of His Holiness' inauguration of his ministry as Bishop of Rome and Supreme Pastor of the Catholic Church. **Page S15207**

Small Business Act Authorization: Senate passed S. 1895, to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958 through March 15, 2004. **Pages S15207–09**

Mutual Defense Treaty Anniversary: Senate agreed to S. Res. 256, observing the 50th anniversary of the Mutual Defense Treaty between the United States and the Republic of Korea, affirming the deep cooperation and friendship between the people of the United States and the people of the Republic of Korea, and thanking the Republic of Korea for its contributions to the global war on terrorism and to the stabilization and reconstruction of Afghanistan and Iraq. **Page S15209**

Energy Policy Act—Conference Report: Senate agreed to the motion to proceed to consideration of the conference report to accompany H.R. 6, to enhance energy conservation and research and development, to provide for security and diversity in the energy supply for the American people, and then began consideration of the conference report. **Pages S15111–23, S15140–79**

A motion was entered to close further debate on the conference report and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on cloture will occur on Friday, November 21, 2003. **Page S15179**

Nominations Confirmed: Senate confirmed the following nominations:

1 Air Force nomination in the rank of general.

Foreign Service nomination beginning with Robert Goldberg and ending with Robert Goldberg (Prior to this action, Committee on Foreign Relations was discharged from further consideration.)

Page S15210

Nominations Received: Senate received the following nomination:

J. Russell George, of Virginia, to be Inspector General for Tax Administration, Department of the Treasury. Page S15210

Messages From the House: Page S15183

Measures Referred: Page S15184

Enrolled Bills Presented: Page S15184

Executive Communications: Pages S15184–86

Additional Cosponsors: Pages S15187–88

Statements on Introduced Bills/Resolutions: Pages S15188–92

Additional Statements: Pages S15182–83

Amendments Submitted: Pages S15192–S15206

Authority for Committees to Meet: Pages S15206–07

Privilege of the Floor: Page S15207

Adjournment: Senate met at 9:30 a.m. and adjourned at 7:56 p.m. until 9:30 a.m. on Thursday, November 20, 2003. (For Senate's Program, see the remarks of the Majority Leader in today's Record on page S15210).

Committee Meetings

(Committees not listed did not meet)

THE ARMY

Committee on Armed Services: Committee concluded an open and closed hearing to examine current Army issues, including the Active, Army Reserve, and Army National Guard units, focusing on "Winning the Peace" in Iraq, the Global War on Terror, and the Rest and Recuperation (R&R) Leave Program, after receiving testimony from Les Brownlee, Acting Secretary of the Army; and General Peter J. Schoomaker, USA, Chief of Staff, United States Army.

BUSINESS MEETING

Committee on Armed Services: Committee met in closed session to discuss certain pending nominations.

AGROTERRORISM

Committee on Governmental Affairs: Committee concluded a hearing to examine the threat of agroterrorism, focusing on strategies to secure the agricultural infrastructure, the Foreign Animal Disease and Plum Island Animal Disease Center, ensuring the safety and security of the Nation's food supply, industry guidance and preventive measures, vulnerability and threat assessments, Operation Liberty Shield, and emergency preparedness and response, after receiving testimony from Senator Talent; Penrose Albright, Assistant Secretary of Homeland Security for Science and Technology; Lester M. Crawford, Deputy Commissioner, Food and Drug Administration, Department of Health and Human Services; Charles Lambert, Deputy Under Secretary of Agriculture for Marketing and Regulatory Programs; Thomas McGinn, North Carolina Department of Agriculture and Consumer Services, Raleigh; Colleen O'Keefe, Illinois Department of Agriculture, Springfield; and Peter Chalk, RAND Corporation, Santa Monica, California.

NOMINATIONS:

Committee on the Judiciary: Committee concluded a hearing to examine the nominations of William James Haynes II, of Virginia, to be United States Circuit Judge for the Fourth Circuit, who was introduced by Senators Warner and Allen; Louis Guirola, Jr., to be United States District Judge for the Southern District of Mississippi, who was introduced by Senators Cochran and Lott; Virginia E. Hopkins, to be United States District Judge for the Northern District of Alabama, who was introduced by Senators Sessions and Shelby; and Kenneth M. Karas, to be United States District Judge for the Southern District of New York, who was introduced by Senator Schumer, after each nominee testified and answered questions in their own behalf.

House of Representatives

Chamber Action

Measures Introduced: 21 public bills, H.R. 3519–3539; and 9 resolutions, H.J. Res. 77–78; H. Con. Res., 329–331 and H. Res. 452–455, were introduced. **Pages H11650–51**

Additional Cosponsors: **Pages H11651–52**

Reports Filed: Reports were filed as follows today:

H.R. 2751, to provide new human capital flexibilities with respect to the GAO, amended (H. Rept. 108–380);

Conference report on H.R. 2417, to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System (H. Rept. 108–381);

H. Res. 449, providing for consideration of motions to suspend the rules (H. Rept. 108–382);

H. Res. 450, providing for consideration of H.J. Res. 78, making further continuing appropriations for the fiscal year 2004 (H. Rept. 108–383); and

H. Res. 451, waiving points of order against the conference report to accompany H.R. 2417, to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System (H. Rept. 108–384). **Pages H11649–50**

Chaplain: The prayer was offered today by Rabbi Dr. Ari Korenblit of Temple Sholom in Brooklyn, New York. **Page H11518**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Captive Wildlife Safety Act: Debated on Tuesday, November 18, H.R. 1006, amended, to amend the Lacey Act Amendments of 1981 to further the conservation of certain wildlife species, by a ⅔ yea-and-nay vote of 419 yeas with none voting ''nay,'' Roll No. 634; **Pages H11550–51**

Expressing the sense of Congress regarding the importance of motorsports: Debated on Tuesday, November 18, H. Con. Res. 320, expressing the sense of the Congress regarding the importance of motorsports, by a yea-and-nay vote of 414 yeas with none voting ''nay,'' Roll No. 635; **Pages H11551–52**

National Museum of African-American History and Culture Act: Debated on Tuesday, November 18, H.R. 3491, to establish within the Smithsonian Institution the National Museum of African American History and Culture, by a ⅔ yea-and-nay vote of 409 yeas to 9 nays, Roll No. 636; **Page H11552**

Sense of Congress regarding the leadership of the Unified Buddhist Church in Vietnam: H. Res. 427, amended, expressing the sense of the House of Representatives regarding the courageous leadership of the Unified Buddhist Church of Vietnam and the urgent need for religious freedom and related human rights in the Socialist Republic of Vietnam, by a ⅔ yea-and-nay vote of 409 yeas to 13 nays, Roll No. 639; **Pages H11520–24, H11573–74**

Honoring the victims of the Cambodian genocide from April 1975 through January 1979: H. Con. Res. 83, honoring the victims of the Cambodian genocide that took place from April 1975 to January 1979, by a ⅔ yea-and-nay vote of 420 yeas to 1 nay, Roll No. 640; **Pages H11524–27, H11573–74**

Honoring Seeds of Peace: H. Con. Res. 288, directing the Secretary of Transportation to transmit to the House of Representatives not later than 14 days after the date of the adoption of this resolution all physical and electronic records and documents in his possession related to any use of Federal agency resources in any task or action involving or relating to Members of the Texas Legislature in the period beginning May 11, 2003, and ending May 16, 2003, except information the disclosure of which would harm the national security interests of the United States, by a ⅔ yea-and-nay vote of 415 yeas with none voting ''nay,'' Roll No. 641;

Pages H11527–29, H11593

Commending Afghan women: H. Res. 393, amended, commending Afghan women for their participation in Afghan government and civil society, encouraging the inclusion of Afghan women in the political and economic life of Afghanistan, and advocating the protection of Afghan women's human rights in the Afghanistan Constitution, by a ⅔ yea-and-nay vote of 414 yeas to 1 nay, Roll No. 642; **Pages H11529–33, H11593–94**

Agreed to amend the title so as to read, ''a resolution commending Afghan women for their participation in Afghan government and civil society, encouraging the inclusion of Afghan women in the political and economic life of Afghanistan, and advocating the protection of the human rights of all Afghans, particularly women, in the Afghanistan Constitution''. **Page H11594**

Mutual Funds Integrity and Fee Transparency Act of 2003: H.R. 2420, amended, to improve transparency relating to the fees and costs that mutual

fund investors incur and to improve corporate governance of mutual funds, by a ⅔ yea-and-nay vote of 418 yeas to 2 nays, Roll No. 638;
Pages H11533–47, H11572–73

Torture Victims Relief Reauthorization Act of 2003: H.R. 1813, amended, to amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic and foreign centers and programs for the treatment of victims of torture; **Pages H11547–50**

Overseas Private Investment Corporation Amendments Act of 2003: S. 1824, to amend the Foreign Assistance Act of 1961 to reauthorize the Overseas Private Investment Corporation—clearing the measure for the President; **Pages H11553–57**

Recognizing the 5th Anniversary of the signing of the International Religious Freedom Act of 1998: H. Res. 423, amended, recognizing the 5th anniversary of the signing of the International Religious Freedom Act of 1998 and urging a renewed commitment to eliminating violations of the internationally recognized right to freedom of religion and protecting fundamental human rights, by a ⅔ yea-and-nay vote of 416 yeas to 1 nays, Roll No. 643; **Pages H11557–61, H11594–95**

Fairness to Contact Lens Consumers Act: H.R. 3140, amended, to provide for availability of contact lens prescriptions to patients, by a ⅔ yea-and-nay vote of 406 yeas to 12 nay, Roll No. 644;
Pages H11561–65, H11595

Amending the Federal Food, Drug, and Cosmetic Act: H.R. 2218, amended, to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of noncorrective contact lens as medical devices; **Pages H11565–67**

Agreed to amend the title so as to read "a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of all contact lenses as medical devices" **Page H11567**

Pediatric Research Equity Act of 2003: S. 650, to amend the Federal Food, Drug, and Cosmetic Act to authorize the Food and Drug Administration to require certain research into drugs used in pediatric patients—clearing the measure for the President;
Pages H11567–72

Supporting the goals of National Epilepsy Awareness Month: S. Con. Res. 48, supporting the goals and ideals of "National Epilepsy Awareness Month" and urging support for epilepsy research and service programs; **Pages H11580–82**

Basic Pilot Program Extension and Expansion Act of 2003: S. 1685, to extend and expand the basic pilot program for employment eligibility verification—clearing the measure for the President;
Pages H11582–86

Providing for Federal court proceedings in Plano, Texas: S. 1720, to provide for Federal court proceedings in Plano, Texas—clearing the measure for the President; **Pages H11586–89**

Environmental Policy and Conflict Resolution Advancement Act of 2003: H.R. 421, to reauthorize the United States Institute for Environmental Conflict Resolution; and **Pages H11589–91**

Florida National Forest Land Management Act of 2003: S. 117, to authorize the Secretary of Agriculture to sell or exchange certain land in the State of Florida—clearing the measure for the President.
Pages H11591–92

Suspensions Postponed: The following measures were debated under suspension of the rules. Further proceedings were postponed until Thursday, November 20:

Poison Control Center Enhancement and Awareness Act Amendments of 2003: S. 686, amended, to provide assistance for poison prevention and to stabilize the funding of regional poison control centers; and **Pages H11574–77**

Birth Defects and Developmental Disabilities Prevention Act of 2003: S. 286, to revise and extend the Birth Defects Prevention Act of 1998;
Pages H11577–80

Medicare Prescription Drug and Modernization Act of 2003—Motion to Instruct Conferees: The House rejected the Berkley motion to instruct conferees on H.R. 1, to amend title XVIII of the Social Security Act to provide for a voluntary prescription drug benefit under the medicare program and to strengthen and improve the medicare program, by a yea-and-nay vote of 203 yeas to 218 nays, Roll No. 637. **Page H11553**

Later the House debated the Hooley of Oregon motion to instruct conferees on the bill. Further proceedings on the motion were postponed until a later date. **Pages H11598–H11605**

Representative Inslee also announced his intention to offer a motion to instruct on the bill. **Page H11598**

Two Floods and You Are Out of the Taxpayers' Pocket Act of 2003—Order of Business: The House agreed by unanimous consent that it be in order at any time to consider H.R. 253, to amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitive flood insurance claim payments have been made; that the bill shall be considered as read; that in lieu of the

amendment recommended by the Committee on Financial Services now printed in the bill, an amendment in the nature of a substitute and numbered one printed in the Congressional Record of November 19, shall be considered as adopted; that the previous question shall be considered as ordered on the bill, as amended, and on further amendment thereto to final passage without intervening motion except: (1) one hour of general debate, (2) a further amendment in the nature of a substitute, and (3) one motion to recommit with or without instruction; and further that the amendment placed at the desk be considered as read for the purposes of this unanimous consent request. **Pages H11595–98**

Transportation and Treasury Appropriations—Motion to Instruct Conferees: Representative Hastings of Florida announced his intention to offer a motion to instruct conferees on H.R. 2989, making appropriations for the Departments of Transportation and Treasury, and independent agencies for the fiscal year ending September 30, 2004. **Page H11598**

Labor/HHS Appropriations—Motion to Instruct Conferees: The House debated the Kildee motion to instruct conferees on H.R. 2660, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004. Further proceedings on the motion were postponed until a later date. **Pages H11622–28**

Senate Message: Messages received from the Senate today appear on pages H11518, H11567.

Senate Referral: S. 189 and S. 1156 were ordered held at the desk. **Pages H11518, H11567**

Amendments: Amendments ordered printed pursuant to the rule appear on pages H11652–56.

Adjournment: The House met at 10 a.m. and adjourned at 11:57 p.m.

Committee Meetings

U.S. NATIONAL SECURITY STRATEGY

Committee on Armed Services: Held a hearing on U.S. National Security Strategy. Testimony was heard from Ambassador Jeane J. Kirkpatrick, former U.S. Permanent Representative to the United Nations; and Samuel L. Berger, former Assistant to the President for National Security Affairs.

CYBERSECURITY AND CONSUMER DATA

Committee on Energy and Commerce: Subcommittee on Commerce, Trade and Consumer Protection held a hearing entitled ''Cybersecurity and Consumer Data: What's at Risk for the Consumer?'' Testimony was heard from Orson Swindle, Commissioner, FTC; and public witnesses.

INVESTMENT IN TECHNOLOGY

Committee on Energy and Commerce: Subcommittee on Telecommunications and the Internet held a hearing on hearing entitled ''Digital Dividends and Other Proposals to Leverage Investment in Technology.'' Testimony was heard from public witnesses.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION EFFICIENCY ACT

Committee on Government Reform: Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census approved for full Committee action H.R. 3478, National Archives and Records Administration Efficiency Act of 2003.

CONTINUITY IN REPRESENTATION ACT

Committee on House Administration: Ordered reported, as amended, H.R. 2844, Continuity in Representation Act of 2003.

AFGHANISTAN: DEMOCRATIZATION AND HUMAN RIGHTS

Committee on International Relations: Subcommittee on the Middle East and Central Asia and the Subcommittee on International Terrorism, Nonproliferation and Human Rights held a joint hearing on Afghanistan: Democratization and Human Rights on the Eve of the Constitutional *Loya Jirga.* Testimony was heard from the following officials of the Department of State: Lorne W. Craner, Assistant Secretary, Bureau of Democracy, Human Rights and Labor; Ambassador-at-Large John V. Hanford III, Office of International Religious Freedom; and Christina B. Rocca, Assistant Secretary, Bureau of South Asia Affairs; and public witnesses.

ANTITRUST OVERSIGHT

Committee on the Judiciary: Held an oversight hearing entitled ''Saving the Savings Clause: Congressional Intent, the *Trinko* Case, and the role of the Antitrust Laws in Promoting Competition in the Telecom Sector.'' Testimony was heard from R. Hewitt Pate, Assistant Antitrust General, Antitrust Division, Department of Justice; and public witnesses.

MEDICAL INFORMATION SHARING—DOD AND DEPARTMENT OF VETERANS AFFAIRS

Committee on Veterans' Affairs: Subcommittee on Oversight and Investigations held a hearing to review progress being made by the Department of Defense and the Department of Veterans Affairs with the sharing of medical information and development of a seamless electronic medical record. Testimony was heard from Linda D. Koontz, Director, Information

Management Issues, GAO; the following officials of the Department of Defense: Maj Gen. Kenneth L. Farmer, Jr., M.D., USA, Deputy Surgeon General, USA; Jeanne B. Fites, Deputy Under Secretary (Program Integration); and James C. Reardon, Chief Information Officer, Military Health System; Frances M. Murphy, M.D., Deputy Under Secretary, Health Policy Coordination, Department of Veterans Affairs; and a public witness.

VULNERABLE CHILDREN—IMPROVED MONITORING

Committee on Ways and Means: Subcommittee on Human Resources held a hearing on Improved Monitoring of Vulnerable Children. Testimony was heard from Representative DeLay; Cornelia Ashby, Director, Education, Workforce and Income Security, GAO; and public witnesses.

Joint Meetings

INTELLIGENCE AUTHORIZATION ACT

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 2417, to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System.

OMNIBUS APPROPRIATIONS

Conferees met to resolve the differences between the Senate and House passed versions of H.R. 2673, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, 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 Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices, for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies, and for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004, but did not complete action thereon, and recessed subject to call.

COMMITTEE MEETINGS FOR THURSDAY, NOVEMBER 20, 2003

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Armed Services: to hold a closed briefing from the CIA and DIA on assessment of the current situation in Iraq, 3 p.m., S–407, Capitol.

Committee on Banking, Housing, and Urban Affairs: business meeting to consider S. 1531, to require the Secretary of the Treasury to mint coins in commemoration of Chief Justice John Marshall, and the nominations of Alicia R. Castaneda, of the District of Columbia, to be a Director of the Federal Housing Finance Board, and Thomas J. Curry, of Massachusetts, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation; to be immediately followed by a hearing on improving the corporate governance of the NYSE, 10 a.m., SD–538.

Full Committee, to resume hearings to examine current investigations and regulatory actions regarding the mutual fund industry, 2 p.m., SD–538.

Committee on Commerce, Science, and Transportation: to hold hearings to examine drug importation, 9:30 a.m., SR–253.

Committee on Governmental Affairs: business meeting to consider the nominations of James M. Loy, of Virginia, to be Deputy Secretary of Homeland Security, and Scott J. Bloch, of Kansas, to be Special Counsel, Office of Special Counsel, Time to be announced, Room to be announced.

Permanent Subcommittee on Investigations, to resume hearings to examine the role of professional organizations like accounting firms, law firms, and financial institutions in developing, marketing and implementing tax shelters, 9 a.m., SH–216.

Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to resume hearings to examine the August 2003 Northeast blackouts and the federal role in managing the nation's electricity, 10 a.m., SD–342.

House

Committee on Government Reform, to consider the following: H.R. 3478, National Archives and Records Administration Efficiency Act of 2003, a report entitled "Efforts to Rightsize the U.S. Presence Abroad Lack Urgency and Momentum;" and a draft report entitled "Everything Secret Degenerates: The FBI's Use of Murderers as Informants;" followed by a hearing on Knives, Box Cutters and Bleach: A Review of Passenger Screener Training, Testing and Supervision, 10 a.m., 2154 Rayburn.

Subcommittee on Human Rights and Wellness, hearing entitled "The Future Challenges of Autism: A Survey of the Ongoing Initiatives in the Federal Government to Address the Epidemic," 2 p.m., 2154 Rayburn.

Committee on House Administration, hearing on 527 Organizations and Soft Money: Federal Elections in a Post-BCRA World, 10 a.m., 1310 Longworth.

Committee on International Relations, Subcommittee on the Middle East and Central Asia, hearing on Human Rights Violations Under Saddam Hussein: Victims Speak Out, 2 p.m., 2172 Rayburn.

Committee on the Judiciary, Subcommittee on Crime, Terrorism, and Homeland Security, and Homeland Security, oversight hearing on ''Homeland Security—the Balance Between Crisis and Consequence Management through Training and Assistance,'' including discussion of the following bills: H.R. 2512, First Responders Funding Reform Act of 2003; H.R. 3266, Faster and Smarter Funding for First Responders Act of 2003; and H.R. 3158, Preparing America to Respond Effectively Act of 2003, 10 a.m., 2141 Rayburn.

Committee on Resources, Subcommittee on Fisheries Conservation, Wildlife and Oceans, oversight hearing on the John H. Chafee Coastal Barrier Resources System, 10 a.m., 1324 Longworth.

Committee on Small Business, hearing entitled ''Lowering the Cost of Doing Business in the United States: How to Keep Our Companies Here,'' 9:30 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Water Resources and Environment, oversight hearing on Financing Port Infrastructure—Who Should Pay? 10 a.m., 2167 Rayburn.

Committee on Ways and Means, Subcommittee on Oversight, hearing on Non-Profit Credit Counseling Organizations, 2 p.m., 1100 Longworth.

Permanent Select Committee on Intelligence, Subcommittee on Intelligence Policy and National Security, executive, briefing on Global Intelligence Update, 9 a.m., H–405 Capitol.

Select Committee on Homeland Security, Subcommittee on Emergency Preparedness and Response, to mark up H.R. 3266, Faster and Smarter Funding for First Responders Act of 2003, 1 p.m., 210 Cannon.

Next Meeting of the **SENATE**
9:30 a.m., Thursday, November 20

Senate Chamber

Program for Thursday: Senate will continue consideration of the conference report to accompany H.R. 6, Energy Policy Act.

Next Meeting of the **HOUSE OF REPRESENTATIVES**
10 a.m., Thursday, November 20

House Chamber

Program for Thursday: Rolled votes on Suspensions:

S. 686, Poison Control Center Enhancement and Awareness Act Amendments of 2003; and

S. 286, Birth Defects and Developmental Disabilities Prevention Act of 2003.

Consideration of the conference report on H.R. 2417, Intelligence Authorization Act for FY 2004.

Consideration of H.J. Res. 78, making further continuing appropriations for FY 2004.

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