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House of Representatives

The House met at 11:30 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord our God, Your reluctant profit Jonah called out to You from the depths. Hear our prayer today for the Members and the staffs who assist them here in the House of Representatives. Unlike Jonah, we will not run away from Your presence nor avoid the task You set before us.

Make us steadfast in faith that this generation may seek the wisdom which reveals the sign of Jonah. May the new life still hidden in winter's wrap come forth. May the promise of deeper relationships emerge from confessed limitations, apologies, and efforts of reconciliation. May death to selfishness give rise to the ability to love.

With Jonah we are always surprised to find You, as ''a loving and merciful God, always patient, always kind, and always ready to change Your mind and not punish.''

This we believe now and forever. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Minnesota (Ms. MCCOLLUM) come forward and lead the House in the Pledge of Allegiance.

Ms. MCCOLLUM 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 a bill of the following title in which the concurrence of the House is requested:

S. 2057. An act to require the Secretary of Defense to reimburse members of the United States Armed Forces for certain transportation expenses incurred by the members in connection with leave under the Central Command Rest and Recuperation Leave Program before the program was expanded to include domestic travel.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain ten 1-minute speeches on each side.

CALLING FOR CHANGES IN EUROPEAN UNION'S AGRICULTURAL SUBSIDY PROGRAMS

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

Mr. BEREUTER. Mr. Speaker, it is high time for the European Union to face the reality that it must eliminate its destructive agricultural export subsidies. This Member commends U.S. Trade Representative Robert Zoellick for emphasizing this message during his recent visit to Geneva. As Ambassador Zoellick correctly noted, such action is one of the keys to reaching an international ag trade agreement.

The EU's outrageous use of export subsidies hurts U.S. farmers, distorts international trade, and harms developing countries. If the EU would end its export subsidies, this Member is confident that the U.S. would be more than willing to eliminate its much smaller export subsidies. It should be noted that the American export subsidies are only used occasionally as a shot across the bow of the EU for the third country export markets.

This Member believes the American agriculture community is willing to make certain changes in the current domestic subsidy program as well, as long as it is accompanied by meaningful subsidy reforms in the EU as well as in Japan and Korea.

Mr. Speaker, real change in the European Union's agriculture export subsidy programs, and especially its elimination of their ag export subsidies, would be of great benefit to farmers and consumers around the world.

HAPPY BIRTHDAY TO ST. PAUL, MINNESOTA

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

Ms. MCCOLLUM. Mr. Speaker, today I would like to wish a very happy 150th birthday to the city I live in and represent, St. Paul, Minnesota. St. Paul is Minnesota's capital city, and it is 2 years more ''mature'' than Minneapolis, our twin sister city.

Originally called Pig's Eye by Mississippi River travelers who would stop for a belt of whiskey, St. Paul was incorporated on March 4, 1854. For 150 years St. Paul's special character has been shaped by the people and cultures of the world. For our first 100 years, Native Americans, Europeans, African Americans settled and built St. Paul. More recently, new immigrants from Asia, Latin America, and Africa continue to transform and strengthen St. Paul.

It is no secret to St. Paul residents. We live in a great city.

Happy birthday to St. Paul. It is 150 years old, and we are just getting started.

FIGHTING FOR AMERICA'S VETERANS: CONCURRENT RECEIPT

(Mr. MILLER of Florida asked and was given permission to address the

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House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Florida. Mr. Speaker, I rise this morning to talk about how President Bush and this Republican Congress have fought to honor America's veterans. As Florida's First Congressional District is home to more veterans than anywhere else in the Nation, keeping the promises to veterans is certainly my priority and it has been one for this Republican Congress as well.

I think it is safe to say that all of our colleagues, Republicans and Democrats, tell their constituents that they support veterans and will keep the many promises we have made to them throughout the years. The difference is that President Bush and our Republican colleagues have kept those promises. It is the Democrats who have not.

Republicans have increased to record levels spending on veterans' health care and benefit programs. We have enacted countless measures to enhance and expand compensation, retirement, health, and medical programs for America's 25 million veterans and their families since becoming the majority party in this Congress.

We have also provided more than $22 billion to allow disabled veterans to receive both their disability compensation and retirement pay, a practice which a 100-year-old law previously prohibited. In fact, Republicans are the only ones who have provided any, any, concurrent receipt benefits for disabled military retirees. Democrats had 40 years to do so as the majority party, and they did not.

President Roosevelt said ''A man good enough to shed blood for his country is good enough to be given a square deal afterwards.'' We should be proud of what President Bush and our Republican colleagues have done.

PEACE CORPS WEEK

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

Mr. FARR. Mr. Speaker, I rise today because March 1 through March 7 is National Peace Corps Week. One hundred and seventy thousand volunteers have served in 137 countries over the past 43 years to make an impact on this world, and I would just like to congratulate all of those who are in the field right now, who are in foreign countries all over the word, and send a special congratulations to each of them during this National Peace Corps Week for their service and contribution to the developing countries throughout the world.

And I would like to also remind them that what we heard yesterday in testimony by the leading generals in Iraq was that the military understands that until we cross the cultural divide, until the United States crosses the cultural divide, we will not have peace in this world. And the people that are being able to cross that cultural divide and bring the best of what is in America to the best of what is outside America together is the National Peace Corps.

And I would just like to say on this week of anniversary that the Peace Corps volunteers do not give handouts. They instead share their knowledge, experiences, technical skills with locals who in turn learn valuable lessons from them, the host country nationals, as well as the host country nationals learning from us. I am especially proud to be a return Peace Corps volunteer from Colombia, where I served in the 1960s, and the friendship and understanding and compassion that developed between myself and the Colombians is forever with me and with them.

And there are other Members, the gentleman from California (Mr. HONDA), the gentleman from Wisconsin (Mr. PETRI), the gentleman from New York (Mr. WALSH), and the gentleman from Connecticut (Mr. SHAYS) who are also return Peace Corps volunteers, and I, with them, we extend congratulations to all those who are serving and to all those who applied to serve in the United States Peace Corps. I thank them very much on this week of the anniversary of the Peace Corps.

FIGHTING FOR AMERICA'S VETERANS

(Ms. GINNY BROWN-WAITE of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I cannot agree more with the gentleman from North Florida about all of the gains that veterans have made during the Republican administration. There have been so many legislative accomplishments on behalf of veterans that have been made since 2000.

The issue of concurrent receipt stands out actually as the primary example of Republican achievement versus Democrat rhetoric. The injustice of concurrent receipt actually existed for well over 100 years. The gentleman from Florida (Mr. BILIRAKIS) introduced the bill every session of Congress, and it has been here for about 15 years.

Veterans need to know that Democrats never led on this issue because under their control it never saw the light of day. It took a Republican President and a Republican Congress to end this unfair penalty on disabled veterans. The battle over concurrent receipt is well over 100 years old. We finally began to respond to the need and address every disabled veteran so that they will now be able to receive benefits for 50 percent or greater disability, that there will no longer be that offset. Veterans deserve no less than this, and, in fact, they actually deserve more.

As history has demonstrated, America's veterans can count on the Republican majority to support them and to honor them when they return home.

THE PEOPLE'S HOUSE

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

Mr. EMANUEL. Mr. Speaker, what is known around here as business as usual would make a Chicago alderman blush. In Chicago we have a pretty high standard. If we look at today's Washington Post and New York Times editorial page, they talk about the relationship between two lobbyists and the Republican majority. Roll Call's headline: ''Revolving Door Snags Hill Aide: Staffer Negotiated Lobby Contract While on House Payroll.''

The pharmaceutical industry was working the halls, working on the pharmaceutical prescription drug legislation. The energy lobbyist got an energy bill.

Let me do a case in point. Four Indian tribes paid $45 million in 3 years to buy access.

Mr. Speaker, there are good people on both sides of the House with good values. It is unfortunate the conduct of a few brings shame on this institution. The Speaker's gavel is intended to open the People's House, not to close the Auction House.

MEDICARE'S PRESCRIPTION DRUG BENEFIT

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

Mr. KINGSTON. Mr. Speaker, in 1965 if one asked a group of people how many in their family have to take five, six, seven pills a day just to survive, how many hands would be raised? Probably not many because in 1965 we did not have the miracle drugs that we have today. But today in almost any given audience if one asks that question, how many who have somebody in their family who have to take three or four or five pills a day, 80 percent of the hands go up.

□ 1145

That is why the Republican Party has added a prescription drug benefit to Medicare. It is a choice; it is an option. If you are in Medicare now and you love it as is, you do not have to do this, because this is voluntary. But if you want a 50 percent reduction in the cost of your prescription drugs, this is a plan that you should take a careful look at.

The volunteer plan starts in 2006. To bridge the gap in the meantime, all seniors this summer, if they want to, again, voluntarily, can buy a $30 discount card that will reduce the cost of drugs about 20 to 25 percent.

This is a significant step for better health care for our seniors and a major Medicare reform.

APPLAUDING DECISION ORDERING NEW WHOLESALE AND UNBUNDLING RULES

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

Mr. MEEKS of New York. Mr. Speaker, I rise this morning to applaud the D.C. Circuit Court's decision on Tuesday ordering the FCC to come up with new wholesale and unbundling rules that can pass legal approval. This decision sets U.S. telecom policy on the correct path as envisioned by both Chambers of Congress when we passed the Telecom Act of 1996.

This requirement that the regulated local phone companies lease their phone lines to competitors at below-cost rates, ensuring constant financial losses, as witnessed over the past 3 years, has severely hindered investment and service quality to many communities, both large and small.

The time for the FCC to act is now, and with the same sense of urgency the agency displayed after the Super Bowl half-time show. Quick action by Chairman Powell will help spur investment and job creation at a time when our Nation and this sluggish economy certainly need a boost.

APPOINTMENT OF CONFEREES ON H.R. 3108, PENSION FUNDING EQUITY ACT OF 2003

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3108) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes, with House amendments to the Senate amendment thereto, insist on the House amendments to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Ohio? The Chair hears none and, without objection, appoints the following conferees: From the Committee on Education and the Workforce for consideration of the House bill and the Senate amendment and modifications committed to conference: Messrs. BOEHNER, MCKEON, JOHNSON of Texas, TIBERI, GEORGE MILLER of California and Mr. ANDREWS; from the Committee on Ways and Means for consideration of the House bill and Senate amendment and modifications committed to conference: Messrs. THOMAS, PORTMAN and RANGEL.

There was no objection.

POSITIVE IMPACT OF NO CHILD LEFT BEHIND ON SPECIAL EDUCATION STUDENTS

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

Mr. BOEHNER. Mr. Speaker, yesterday in the Committee on Education and the Workforce, we were pleased to have a hearing on No Child Left Behind and its impact on special education students. For the first time in history, those students in special education will be judged based on results and the fact that we know that children with disabilities can, in fact, learn.

We had four distinguished witnesses from around the country talking about how special education is changing as a result of No Child Left Behind. School districts now must focus in on results for our special needs children. These four witnesses, a parent, a school superintendent and two education experts, talked about how special education students are in fact learning more and improving their capability.

For most children with special needs, there really is no excuse that they cannot read and write and become literate like all other children. Many children in special education can do far more than that; and by focusing in on results for children with special needs, we can in fact meet our goal with No Child Left Behind, which is just that: let us leave no child in America behind.

GENERAL LEAVE

Mr. BOEHLERT. 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. 3752.

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

There was no objection.

COMMERCIAL SPACE LAUNCH AMENDMENTS ACT OF 2004

The SPEAKER pro tempore (Mr. BOEHNER). Pursuant to House Resolution 546 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3752.

□ 1155

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3752) to promote the development of the emerging commercial human space-flight industry, to extend the liability indemnification regime for the commercial space transportation industry, to authorize appropriations for the Office of the Associate Administrator for Commercial Space Transportation, and for other purposes, with Mr. LATOURETTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. BOEHLERT) and the gentleman from Tennessee (Mr. GORDON) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me begin by thanking the gentleman from California (Mr. ROHRABACHER), the chairman of our Subcommittee on Space and Aeronautics, for introducing this measure, for continually pressing for its passage, and for working so cooperatively with us while crafting it. He has single-handedly made this a priority issue for the entire committee.

I have to admit, when the gentleman from California (Mr. ROHRABACHER) first came forward with the idea for this bill, I thought the notion was, well, a little flighty. But through our hearings and other work on this bill, I have come to see this as one of the most important measures this committee will move this year. Let me tell you why. This is about a lot more than joyrides in space, although there is nothing wrong with such an enterprise. This is about the future of the U.S. aerospace industry.

As in most areas of American enterprise, the greatest innovations in aerospace are most likely to come from small entrepreneurs. This is true whether we are talking about launching humans or cargo. The goal of this bill is to promote robust experimentation, to make sure that entrepreneurs and inventors have the incentives and the capabilities they need to pursue their ideas. That is important to our Nation's future.

Those entrepreneurs, the kinds of folks who are inventing new rockets for cargo and who are endowing and competing for the X Prize, are doing our Nation a tremendous service; and, I should add, they also seem to be enjoying themselves. That is a winning combination.

So what do these people need from us? The simplistic answer is they just need government to get out of the way. But, as usual, the truth is a little more complex. The innovators need and are seeking a government regulatory regime that will provide predictability, a regime that can offer stability and support to help them attract private capital; and the general public needs such a regime as well to ensure that the public at large faces no undo health or safety risk from any flights. In short, this industry requires government regulation, but not so much regulation as to stifle it.

This bill, which has been painstakingly negotiated with all interested parties, strikes the proper balance. It

recognizes the industry's need to experiment. Indeed, it creates a new regulatory instrument to encourage that experimentation, while recognizing the obligation to protect the crew and the general public.

I should add, since I know that the gentleman from Arizona (Mr. FLAKE) will bring this issue up a little later, that this regulation can be provided without any increase in the budget of the Federal Aviation Administration. That bears repeating: without any increase in the budget of the Federal Aviation Administration.

We will be accepting the amendment of the gentleman from Arizona (Mr. FLAKE). I would note that the Congressional Budget Office reached the same conclusion, that no additional funding is needed to carry out this bill.

I should also add that under this bill the government will go beyond creating a stable environment for these entrepreneurs. The bill extends the existing provision of law under which the government indemnifies the companies undertaking these flights for set amounts and purposes. In keeping with past congressional practice, we are extending indemnification temporarily for 3 years, in this case; and we are also asking for a study to determine how to end indemnification without harming the industry. I do not think the government should be taking on the risk of this enterprise forever.

So this is a very fair, balanced, carefully crafted bill that will help a budding industry and protect the public. The result, over time, should be the development of new ideas and ways to take humans into space on sub-orbital rockets.

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We are still a long way off from making rockets common carriers like airplanes, but we need to promote the experimental work. I want to thank the gentleman from Alaska (Mr. YOUNG) of the Committee on Transportation and Infrastructure for working with us on the jurisdictional issues that the bill presented. I also want to thank the staff who worked on this bill, particularly one of our new staffers, Tim Hughes, who has become an expert in this area of law. I wish to thank both sides of the aisle, Democrats under the gentleman from Tennessee (Mr. GORDON), my fellow Republicans under me, for working so cooperatively for so long to bring forward a product that results in encouragement for a budding industry and gives optimism as we look to the future. I urge my colleagues to support this bill.

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

Mr. GORDON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to speak in support of H.R. 3752, the Commercial Space Launch Amendment Act of 2004. The gentleman from California (Mr. ROHRABACHER) is to be congratulated for his efforts on this bill and I am pleased to be an original cosponsor.

The main provisions of the bill have already been described so I will not take time to discuss them further at this point. Instead, I would just like to make the following observations:

First, the basic purpose of the bill is to establish a framework for regulating the commercial human space flight industry. We have ample testimony that such a framework is needed if the companies are to make their plans and attract needed capital. I believe that this bill addresses that need in a practical and balanced manner.

Second, we are talking about an emerging industry. No one has yet flown a private passenger-carrying space vehicle, and we are far from knowing how the market for such a launch service will develop. As a result, we may need to revisit some of the issues covered by this legislation after we have accumulated some actual experience with commercial operations. Yet that reality should not prevent us from taking the steps that are included in this bill to provide at least an initial regulatory framework.

Third, while I believe this is a good bill, I think there are still some areas that could be improved. The gentleman from New York (Mr. BOEHLERT) and I intend to offer a joint managers' amendment that will deal with several of them, and I hope that Members will join us in supporting that amendment.

Other issues will warrant further discussion over the coming weeks. For example, I do not believe that the testimony and studies received by the Committee on Science over the last several years agree with the bill's bias towards eliminating the existing liability indemnification regime, and I hope that we will revisit that issue when we are in conference on this legislation with the Senate.

Mr. Chairman, H.R. 3752 was reported out of the Committee on Science on a bipartisan basis. I urge my colleagues to support my bill when it comes up for a vote.

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

Mr. BOEHLERT. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. ROHRABACHER), the distinguished chairman of the Subcommittee on Space and Aeronautics, the driver behind this legislation.

Mr. ROHRABACHER. Mr. Chairman, I would like to thank the gentleman from New York (Mr. BOEHLERT) for all his help and energy and creativity and that of his staff as well. We have worked long and hard on this and I am very happy that it is coming to fruition today. I would also like to thank my colleagues on the other side of the aisle who have been working on this with us in a great spirit of bipartisanship and love of country and love of technology and innovation.

Mr. Chairman, the Commercial Space Launch Amendment Act of 2004 represents the fruit of a long and thorough analysis of the commercial human space flight industry beginning in July with a joint House-Senate hearing on this subject, a Subcommittee on Space and Aeronautics markup, a policy roundtable with experts in the commercial space transportation industry late last year, and a full committee markup early in February. So we have been through the rings on this particular piece of legislation.

The bill before us today, H.R. 3752, creates a clear and balanced regulatory regime to govern the emerging commercial human space flight industry. It is my sincere hope that this bill will encourage individuals like Burt Rutan and others to continue leading the way in pushing the boundaries of technology and safety by building and flight testing hardware, something NASA has yet to do.

This fine piece of legislation carries forward my goal of promoting this new industry and cutting back bureaucratic red tape while protecting public health and safety.

H.R. 3752 eliminates confusion as to who regulates reusable suborbital rockets by directing a regulatory regime for licensing commercial human space flight activities to be established under the jurisdiction of the FAA's Office of Commercial Space Transportation.

The bill makes it easier for entrepreneurs to launch new types of reusable suborbital rockets by directing the Secretary of Transportation to create experimental flight permits, which are separate and distinct from existing commercial launch licenses.

H.R. 3752 also extends the existing commercial space transportation indemnification regime by 3 years, as the chairman noted, through December 31, 2007, and calls for a study in determining how best to gradually eliminate the indemnification regime for the commercial space transportation industry by 2008. Overall, the bill will help get this new industry on its way and on its feet and give the existing space launch industry more time to grow.

Let me note that in the past we have seen spin-offs from the Department of Defense helping people in the private sector and the commercial sector do their business, whether it is GPS satellites or whatever type of technology that was developed over with the DOD in order to help our national security meet those needs. We have seen those spin-offs come to the private sector and help us commercially. I think today that this piece of legislation will launch a new industry where we will see the commercial industry developing technologies that will have spin-offs for the Department of Defense. The spin-offs are going to start going in the other direction where our great space entrepreneurs like Rutan and others are going to be developing aerospace technologies that can be put to use in our national security while they are developing them originally for use in the commercial and private sector.

It is this type of cooperation that should be going on and we should be

encouraging it in both directions. That is what this bill does. I would like to thank the gentleman from New York (Mr. BOEHLERT) again and the industry, my colleagues on the other side of the aisle, the ranking member, the gentleman from Tennessee (Mr. GORDON) and the FAA for their help in developing the bill. Their tremendous efforts will ensure that the regulatory barriers do not hinder the promises and potential of commercial human space flight and all the potential it holds for our Nation.

I urge my colleagues to vote for H.R. 3752.

Mr. BOEHLERT. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma (Mr. LUCAS) for the purposes of a colloquy.

Mr. LUCAS of Oklahoma. Mr. Chairman, I appreciate the gentleman from New York (Mr. BOEHLERT) and the gentleman from Tennessee (Mr. GORDON) bringing this important bill to the floor, because the emerging commercial human space flight industry presents tremendous opportunities for my State of Oklahoma and our Nation as a whole. I am particularly appreciative of this bill's intent to ease the regulatory burdens for entrepreneurs who are developing new suborbital reusable launch vehicles.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. LUCAS of Oklahoma. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for his kind words. He is correct in stating that this legislation seeks to put in place sufficient Federal regulation to protect the general public while also promoting this important new industry.

Mr. LUCAS of Oklahoma. As you know, Mr. Chairman, some suborbital reusable launch vehicles that will be used in commercial human space flight activities may have some attributes normally associated with airplanes as well as many attributes of rockets. My hope is that such hybrid vehicles would not have to be regulated under two separate regimes. What are the chairman's views on this matter?

Mr. BOEHLERT. I thank the gentleman for that question.

This is a very important issue on which we have worked extensively with industry and the executive branch in developing this bill. As currently drafted, H.R. 3752 incorporates definitions promulgated by the Federal Aviation Administration to distinguish between suborbital rockets, which are under the jurisdiction of FAA's Associate Administrator for Commercial Space Transport, and other aerospace vehicles which are regulated by another part of the FAA. That said, I would be happy to keep working with the gentleman from Oklahoma (Mr. LUCAS) and other interested parties as the bill moves forward to revisit the important issue of how best to regulate hybrid vehicles that are engaged in commercial human space flight.

Mr. LUCAS of Oklahoma. I thank the chairman and I look forward to continuing to work with him and our colleagues in the other body to see if we can create a single regime for hybrid commercial space flight vehicles.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in support of the Commercial Space Launch Amendments Act. I would like to commend my colleague from California for his leadership, encouraging interest and activity in space exploration. I also commend Ranking Member BART GORDON and the new Ranking Member of the Space Subcommittee NICK LAMPSON of Houston, for helping make this important bill much better.

Commercial space flight is at a crossroads—as is our federal space exploration mission at NASA. Space tourism could revolutionize the human experience and could potentially become billion-dollar industry, creating numerous jobs in high-tech manufacturing and design. I believe that that will indeed happen someday, although I would not go out on a limb and predict whether it will be in two decades, or two centuries. But I do believe that mankind's natural curiosity and hunger for excitement will ultimately enable us to break through the gravitational bond that holds us to the surface of this planet. And I am confident that the American spirit will allow United States companies and scientists and explorers to be on the forefront of that great endeavor.

As those companies develop, they may also come to play a more integral role in complementing the NASA mission—allowing NASA to focus on cutting edge exploration, while they fulfill the more-mundane heavy lifting and transport functions. This could be extremely valuable and cost-effective.

The question before us though, is "What should be the role of the federal government in the development of commercial space flight?" I have always been a great supporter of the NASA mission, and its non-commercial manned and unmanned exploration of space. I feel the search for knowledge and understanding in this universe is noble and worthwhile. I believe that the NASA mission inspires our children to excel in the sciences and math, and thus helps stimulate the development of American leaders in technology. And NASA is a source of discovery and innovation that drives our economy and development. All of these things make NASA well worth strong federal investment.

Commercial space activity is often associated with space tourism—a potential thrill for the multi-millionaires of this world. I have no problem with that. But if that is all that industry is, an expensive amusement ride, then perhaps the federal government should limit its role to issuing safety guidelines and regulations for liability insurance requirements and waivers and then let the private sector do the rest.

But if this industry has the potential to be a huge source of jobs and revenues in the United States, or if there can be some fruitful collaboration with NASA, helping in education and science, or training of astronauts, or tech development—perhaps more federal financial investment would be appropriate.

These are the questions we have been grappling with in the Science Committee over the past year. Regardless of the answer, the fact is that this industry is at a crossroads, and it is time that we in Congress make it clear what the federal role shall be, whether we will obstruct their development, help drive this industry, or simply get out of the way.

H.R. 3752 makes great progress in defining the federal role for commercial space launch, and encouraging this industry to get off the ground, if you'll pardon the expression.

This Act will establish a framework for regulating the emerging commercial human space flight industry, giving the responsibility to FAA's Office of Commercial Space Transportation, which currently licenses unmanned expendable launch vehicles that put commercial satellites into orbit. It also creates a "permit" system to facilitate experimental test flights of new vehicles, while retaining a full licensing system for operational systems. H.R. 3752 will also extend the existing liability indemnification regime for the commercial space transportation industry for another three years and require a study of how to ultimately phase out that temporary regime.

These are prudent steps, worked out in a bipartisan way in the Space Subcommittee and the whole Committee. I support this approach, and will vote for this bill.

However, space flight is intrinsically risky, and we must make safety our primary consideration. We do not want a burgeoning space industry to follow the example NASA has set of late—and make safety an afterthought. I have been calling for a change in the culture at NASA, to one of openness and commitment to the well being of our spacecraft and crews. We must ensure that such a philosophy is adhered to in the private space sector as well.

I have authored two bills that I will introduce soon, to make NASA safer. One will protect employees from retaliation by managers when they come forward and bring to light safety problems that could lead to the loss of a NASA spacecraft or the lives of crewmembers. These worker protections would also extent to contractors for NASA. I hope in the future to work with the FAA, to ensure that such protections are in place in the commercial space industry.

First, we will need to pass this bill, and start putting the regulatory structure in place. I support the bill and urge my colleagues to do the same.

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

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

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered read for amendment under the 5-minute rule.

The text of H.R. 3752 is as follows:

H.R. 3752

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 "Commercial Space Launch Amendments Act of 2004".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the goal of opening space to the American people and their private commercial, scientific, and cultural enterprises should guide Federal space investments, policies, and regulations;

(2) private industry has begun to develop commercial launch vehicles capable of carrying human beings into space, and greater

private investment in these efforts will stimulate the Nation's commercial space transportation industry as a whole;

(3) space transportation is inherently risky;

(4) a critical area of responsibility for the Office of the Associate Administrator for Commercial Space Transportation is to regulate the emerging commercial human space flight industry; and

(5) the public interest is served by creating a clear legal and regulatory regime for commercial human space flight.

SEC. 3. AMENDMENTS.

(a) FINDINGS AND PURPOSES.—Section 70101 of title 49, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''human space flight,'' after ''microgravity research,''; and

(2) in subsection (a)(4)—

(A) by striking ''satellite''; and

(B) by striking ''services now available from'' and inserting ''capabilities of''.

(b) DEFINITIONS.—Section 70102 of title 49, United States Code, is amended—

(1) by redesignating paragraphs (2) through (17) as paragraphs (3), (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (18), (21), and (22), respectively;

(2) by inserting after paragraph (1) the following new paragraph:

''(2) 'crew' means any employee of a licensee or transferee, or of a contractor or subcontractor of a licensee or transferee, who performs activities in the course of that employment directly relating to the launch, reentry, or other operation of or in a launch vehicle or reentry vehicle that carries human beings.'';

(3) in paragraph (4), as so redesignated by paragraph (1) of this subsection, by inserting '', crew, or space flight participant'' after ''any payload'';

(4) in paragraph (6)(A), as so redesignated by paragraph (1) of this subsection, by striking ''and payload'' and inserting '', payload, crew (including crew training), or space flight participant'';

(5) in paragraph (8)(A), as so redesignated by paragraph (1) of this subsection, by inserting ''or human beings'' after ''place a payload'';

(6) by inserting after paragraph (10), as so redesignated by paragraph (1) of this subsection, the following new paragraph:

''(11) 'permit' means an experimental permit issued under section 70105.''.

(7) in paragraph (13), as so redesignated by paragraph (1) of this subsection, by inserting ''crew, or space flight participants,'' after ''and its payload,'';

(8) in paragraph (14)(A), as so redesignated by paragraph (1) of this subsection, by striking ''and its payload'' inserting ''and payload, crew (including crew training), or space flight participant'';

(9) by inserting after paragraph (16), as so redesignated by paragraph (1) of this subsection, the following new paragraph:

''(17) 'space flight participant' means an individual, who is not crew, carried within a launch vehicle or reentry vehicle.'';

(10) by inserting after paragraph (18), as so redesignated by paragraph (1) of this subsection, the following new paragraphs:

''(19) 'suborbital rocket' means a rocket-propelled vehicle intended for flight on a suborbital trajectory whose thrust is greater than its lift for the majority of the powered portion of its flight.

''(20) 'suborbital trajectory' means the intentional flight path of a launch vehicle, reentry vehicle, or any portion thereof, whose vacuum instantaneous impact point does not leave the surface of the Earth.''; and

(11) in paragraph (21), as so redesignated by paragraph (1) of this subsection—

(A) by striking ''or'' at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(C) by adding at the end the following new subparagraph:

''(E) crew or space flight participants.''.

(c) COMMERCIAL HUMAN SPACE FLIGHT.—(1) Section 70103(a) of title 49, United States Code, is amended by inserting '', through the Associate Administrator for Commercial Space Transportation,'' after ''Secretary of Transportation''.

(2) Section 70103(b)(1) of title 49, United States Code, is amended by inserting '', including those involving space flight participants'' after ''private sector''.

(3) Section 70104(a) of title 49, United States Code, is amended—

(A) by striking ''LICENSE REQUIREMENT.—A license issued or transferred under this chapter'' and inserting ''REQUIREMENT.—A license issued or transferred under this chapter, or a permit,''; and

(B) by inserting after paragraph (4) the following:

''Notwithstanding this subsection, a permit shall not authorize a person to operate a launch site or reentry site.''.

(4) Section 70104(b) of title 49, United States Code, is amended by inserting ''or permit'' after ''holder of a license''.

(5) The section heading of section 70105 of title 49, United States Code, is amended by striking ''LICENSE APPLICATIONS'' and inserting ''APPLICATIONS'', and the item relating to that section in the table of sections for chapter 701 of title 49, United States Code, is amended accordingly.

(6) Section 70105(a) of title 49, United States Code, is amended—

(A) by striking ''APPLICATIONS.— '' and inserting ''LICENSES.—'';

(B) in paragraph (1), by striking ''subsection (b)(2)(D)'' both places it appears and inserting ''subsection (c)(2)(D)''; and

(C) in paragraph (2), by inserting '', including crews,'' after ''or personnel''.

(7) Section 70105 of title 49, United States Code, is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

''(b) EXPERIMENTAL PERMITS.—(1) A person may apply to the Secretary of Transportation for an experimental permit under this subsection in the form and manner the Secretary prescribes. Consistent with the public health and safety, safety of property, and national security and foreign policy interests of the United States, the Secretary, not later than 90 days after receiving an application pursuant to this subsection, shall issue a permit if the Secretary decides in writing that the applicant complies, and will continue to comply, with this chapter and regulations prescribed under this chapter. The Secretary shall inform the applicant of any pending issue and action required to resolve the issue if the Secretary has not made a decision not later than 60 days after receiving an application. The Secretary shall transmit to the Committee on Science of the House of Representatives and Committee on Commerce, Science, and Transportation of the Senate a written notice not later than 15 days after any occurrence when a permit is not issued within the deadline established by this subsection.

''(2) In carrying out paragraph (1), the Secretary may establish procedures for safety approvals of launch vehicles, reentry vehicles, safety systems, processes, services, or personnel, including crews, that may be used in conducting commercial space launch or reentry activities pursuant to a permit.

''(3) In order to encourage the development of a commercial space flight industry, the Secretary, to the greatest extent practicable, shall when issuing permits use the authority granted under subsection (c)(2)(C).

''(4) The Secretary may issue a permit only for reusable suborbital rockets that will be launched or reentered solely for—

''(A) research and development to test new design concepts, new equipment, or new operating techniques;

''(B) showing compliance with requirements as part of the process for obtaining a license under this chapter; or

''(C) crew training prior to obtaining a license for a launch or reentry using the design of the rocket for which the permit would be issued.

''(5) Permits issued under this subsection shall—

''(A) authorize an unlimited number of launches and reentries for a particular suborbital rocket design for the uses described in paragraph (4); and

''(B) specify the modifications that may be made to the suborbital rocket without changing the design to an extent that would invalidate the permit.

''(6) Permits shall not be transferable.

''(7) A permit may not be issued for, and a permit that has already been issued shall cease to be valid for, a particular design for a reusable suborbital rocket after a license has been issued for the launch or reentry of a rocket of that design.

''(8) No person may operate a reusable suborbital rocket under a permit for carrying any property or human being for compensation or hire.

''(9) For the purposes of sections 70106, 70107, 70108, 70109, 70110, 70112, 70115, 70116, 70117, and 70121 of this chapter—

''(A) a permit shall be considered a license;

''(B) the holder of a permit shall be considered a licensee;

''(C) a vehicle operating under a permit shall be considered to be licensed; and

''(D) the issuance of a permit shall be considered licensing.

This paragraph shall not be construed to allow the transfer of a permit.''.

(8) Section 70105(c)(1) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended by inserting ''or permit'' after ''for a license''.

(9) Section 70105(c)(2)(B) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended by striking ''an additional requirement'' and inserting ''any additional requirement''.

(10) Section 70105(c)(2)(C) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended by inserting ''or permit'' after ''for a license''.

(11) Section 70105(c)(2)(D) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended by inserting ''or permit'' after ''for a license''.

(12) Section 70105(c)(3) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended—

(A) by striking '', including the requirement to obtain a license,''; and

(B) by adding at the end the following: ''Nothing in this paragraph shall be construed to allow the launch or reentry of a launch vehicle or a reentry vehicle without a license or permit if a human being will be on board.''.

(13) Section 70105(c) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended by adding at the end the following new paragraphs:

''(4) The holder of a license or a permit under this chapter may launch or reenter crew only if—

''(A) the crew has received training and has satisfied medical or other standards specified in the license or permit in accordance with

regulations promulgated by the Secretary; and

''(B) the holder of the license or permit and crew have complied with all requirements of the laws of the United States that apply to crew.

''(5) The holder of a license or a permit under this chapter may launch or reenter a space flight participant only if—

''(A) in accordance with regulations promulgated by the Secretary, the holder of the license or permit has informed the space flight participant in writing about the risks of the launch or reentry, including the safety record of the launch or reentry vehicle type, and the space flight participant has provided written informed consent to participation in the launch or reentry; and

''(B) the holder of the license or permit and space flight participant have complied with all requirements of the laws of the United States related to launching or reentering a space flight participant.''.

(14) Section 70105(d) of title 49, United States Code, as so redesignated by paragraph (7) of this subsection, is amended by inserting ''or permit'' after ''of a license''.

(15) Section 70106(a) of title 49, United States Code, is amended—

(A) by inserting ''at a site used for crew training,'' after ''assemble a launch vehicle or reentry vehicle,''; and

(B) by striking ''section 70104(c)'' and inserting ''sections 70104(c) and 70105(c)(4)''.

(16) Section 70110(a)(1) of title 49, United States Code, is amended by striking ''70105(a)'' and inserting ''70105''.

(17) Section 70112(b)(1) of title 49, United States Code, is amended—

(A) by inserting ''crew, space flight participants,'' after ''its contractors, subcontractors,''; and

(B) by inserting ''or by space flight participants,'' after ''its own employees,''.

(18) Section 70112(b)(2) of title 49, United States Code, is amended—

(A) by inserting ''crew, space flight participants,'' after ''transferee, contractors, subcontractors,''; and

(B) by inserting ''or by space flight participants,'' after ''its own employees,''.

(19) Section 70113(a) of title 49, United States Code, is amended by inserting '', but not against a space flight participant,'' after ''subcontractor of a customer,''.

(20) Section 70113(f) of title 49, United States Code, is amended by striking ''December 31, 2004.'' and inserting ''December 31, 2007. This section does not apply to permits.''.

(21) Section 70115(b)(1)(D)(i) of title 49, United States Code, is amended by inserting ''crew training site,'' after ''site of a launch vehicle or reentry vehicle,''.

(22) Section 70119 of title 49, United States Code, is amended by striking paragraphs (1) and (2) and inserting the following:

''(1) such sums as may be necessary for fiscal year 2005;

''(2) such sums as may be necessary for fiscal year 2006; and

''(3) such sums as may be necessary for fiscal year 2007.''.

(23) Section 70120 of title 49, United States Code, is amended by adding at the end the following new subsections:

''(c) AMENDMENTS.—Not later than 12 months after the date of enactment of the Commercial Space Launch Amendments Act of 2004, the Secretary shall publish proposed regulations to carry out that Act, including regulations relating to crew, space flight participants, and permits for launch or reentry of reusable suborbital rockets. Not later than 18 months after such date of enactment, the Secretary shall issue final regulations.

''(d) EFFECTIVE DATE.—(1) Licenses for the launch or reentry of launch vehicles or reentry vehicles with human beings on board and permits may be issued by the Secretary prior to the issuance of the regulations described in subsection (c).

''(2) As soon as practicable after the date of enactment of the Commercial Space Launch Amendments Act of 2004, the Secretary shall issue guidelines or advisory circulars to guide the implementation of that Act until regulations are issued.

''(3) Notwithstanding paragraphs (1) and (2), no licenses for the launch or reentry of launch vehicles or reentry vehicles with human beings on board or permits may be issued starting three years after the date of enactment of the Commercial Space Launch Amendments Act of 2004 unless the final regulations described in subsection (c) have been issued.''.

SEC. 4. STUDY ON THE GRADUAL ELIMINATION OF COMMERCIAL SPACE TRANSPORTATION LIABILITY RISK SHARING REGIME.

Not later than 60 days after the date of enactment of this Act, the Secretary of Transportation shall enter into an appropriate arrangement with the National Academy of Public Administration to conduct a study of how best to gradually eliminate the liability risk sharing regime in the United States for commercial space transportation under section 70113 of title 49, United States Code. The study shall assess methods by which the liability risk sharing regime could be eliminated by 2008 or as soon as possible thereafter and the impact those methods would be likely to have on the commercial space transportation industry. The methods examined shall include incremental approaches.

SEC. 5. TECHNICAL AMENDMENT.

Section 102(c) of the Commercial Space Act of 1998 is repealed.

The CHAIRMAN. No amendment to the bill shall be in order except those printed in the designated place in the CONGRESSIONAL RECORD and pro forma amendments for the purpose of debate. Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

Are there any amendments to the bill?

AMENDMENT NO. 1 OFFERED BY MR. BOEHLERT

Mr. BOEHLERT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BOEHLERT:

In section 3(c)(5), strike ''by striking'' and all that follows through '', and the item'' and insert ''by striking '**License applications**' and inserting '**Applications**', and the item''.

In section 3(c)(12), strike ''is amended'' and all that follows through ''by adding'' and insert ''is amended by adding''.

In section 3(c)(17)—

(1) in subparagraph (A)—

(A) strike ''crew,''; and

(B) strike ''and'';

(2) in subparagraph (B), strike ''employees,'.'' and insert ''employees'; and''; and

(3) add at the end the following new subparagraph:

(C) by adding at the end the following: ''The requirement for space flight participants to make a reciprocal waiver of claims with the licensee or transferee shall expire 3 years after the first licensed launch of a launch vehicle carrying a space flight participant.''.

In section 3(c)(18)(B), strike ''employees,'' and insert ''employees''.

In section 3(c)(19)—

(1) insert ''(1)'' after ''70113(a)''; and

(2) strike '', but not'' and insert ''but not''.

Mr. BOEHLERT. Mr. Chairman, I rise to support my amendment. I am offering this amendment on behalf of myself and the gentleman from Tennessee (Mr. GORDON). This is a straightforward managers' amendment.

The amendment makes technical changes to the bill. It also creates one inadvertent but substantive drafting error. Correcting the bill will make it clear that the Federal Aviation Administration retains its current authority to waive the requirements to obtain a license, while also making it clear that that authority does not extend to flights that carry humans.

Finally, the amendment removes the requirement that crews sign reciprocal waivers of liability. This amendment is not controversial. It is bipartisan, and I urge its adoption.

Mr. GORDON. Mr. Chairman, I rise in support of the amendment.

The gentleman from New York (Mr. BOEHLERT) has already described the amendment so I will not repeat his explanation. I will simply say that I believe our amendment makes a good bill better. It makes certain necessary technical corrections. However, more importantly, it ensures that employee rights will be protected in the case of an accident or other major incident, and it provides a sunset on the bill's treatment of the passengers of these new commercial spacecraft looking towards the day when such flights will become relatively routine.

Mr. Chairman, I believe that our amendment is noncontroversial, and I urge my colleagues to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BOEHLERT).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FLAKE:

In section 3(c)(22), in each of the proposed paragraphs (1), (2), and (3), strike ''such sums as may be necessary'' and insert ''$11,776,000''.

Mr. FLAKE. Mr. Chairman, I rise today to offer an amendment to H.R. 3752. My amendment holds current funding for commercial space activities within FAA for the next 3 years. Current language of the bill authorizes such sums as necessary for the next 3 years. My amendment specifies $11.8 million authorization level each year for the next 3 years. This is the same level appropriated for 2004.

I believe that by holding funding at current levels Congress will be able to monitor space tourism and other commercial space activities. If demand for these activities does in fact rise over the next couple of years, Congress will be able to revisit the issue as needed.

In a time of large deficits this amendment will show that Congress is getting serious about holding the line on nondefense, nonhomeland security spending.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I am pleased to accept the amendment. We accept the rationale and the intent and we are pleased to accept this amendment.

Mr. FLAKE. I thank the Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The amendment was agreed to.

The CHAIRMAN. There being no further amendments in order, under the rule, the Committee rises.

□ 1215

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATHAM) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3752) to promote the development of the emerging commercial human spaceflight industry, to extend the liability indemnification regime for the commercial space transportation industry, to authorize appropriations for the Office of the Associate Administrator for Commercial Space Transportation, and for other purposes, pursuant to House Resolution 546, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

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

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

The Sergeant at Arms will notify absent Members.

This will be a 15-minute vote followed by two 5-minute votes on motions to suspend the rules.

The vote was taken by electronic device, and there were—yeas 402, nays 1, not voting 30, as follows:

[Roll No. 39]

YEAS—402

Abercrombie
Ackerman
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
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
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
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
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
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
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kildee
Kilpatrick
Kind
King (IA)
Kingston
Kirk
Kline
Knollenberg
LaHood
Lampson
Langevin
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
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
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
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
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—30

Aderholt
Bell
Berry
Blunt
Calvert
Culberson
Cummings
Davis (IL)
Doggett
Dooley (CA)
Engel
Gerlach
Hinojosa
Hooley (OR)
Houghton
Isakson
Kennedy (RI)
King (NY)
Kleczka
Kolbe
Kucinich
Lantos
Pence
Rodriguez
Rush
Sessions
Toomey
Weller
Whitfield
Wolf

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE) (during the vote). There are 2 minutes remaining in this vote.

□ 1239

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KENNEDY of Rhode Island. Mr. Chairman, on rollcall No. 39, passage of H.R. 3752, 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, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

H. Res. 412, by the yeas and nays; and

H. Res. 56, by the yeas and nays.

These will be 5-minute votes.

HONORING THE MEN AND WOMEN OF THE DRUG ENFORCEMENT ADMINISTRATION ON ITS 30TH ANNIVERSARY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 412.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and agree to the resolution, H. Res. 412, 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 402, nays 1, not voting 30, as follows:

[Roll No. 40]

YEAS—402

Abercrombie
Ackerman
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
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
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
English
Eshoo
Etheridge
Evans
Everett
Farr
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
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
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
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
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
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
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
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
Velázquez
Visclosky
Vitter
Walden (OR)
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—30

Aderholt
Bell
Berry
Blunt
Calvert
Culberson
Doggett
Dooley (CA)
Engel
Fattah
Gerlach
Hinojosa
Hooley (OR)
Houghton
Isakson
King (NY)
Kleczka
Kucinich
Lantos
Manzullo
Pence
Rodriguez
Rush
Schrock
Sessions
Toomey
Walsh
Weller
Whitfield
Wolf

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 1248

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUPPORTING GOALS OF CERTAIN COMMUNITIES IN RECOGNIZING NATIONAL DAY OF REMEMBRANCE

The SPEAKER pro tempore (Mr. LATOURETTE). The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 56.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and agree to the resolution, H. Res. 56, 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 404, nays 0, not voting 29, as follows:

[Roll No. 41]

YEAS—404

Abercrombie
Ackerman
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
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
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
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Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Emanuel
Emerson
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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)
Kingston
Kirk
Kleczka

Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
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
Markey
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
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
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
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—29

Aderholt
Bell
Berry
Blunt
Calvert
Culberson
Doggett
Dooley (CA)
Edwards
Engel
Ford
Green (TX)
Hinojosa
Hooley (OR)
Houghton
Isakson
King (NY)
Kucinich
Lantos
Manzullo
Marshall
Pence
Rodriguez
Rush
Sessions
Toomey
Weller
Whitfield
Wolf

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1259

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GERLACH. Mr. Speaker, on rollcall Nos. 39 and 40, I was inadvertently detained. Had I been present, I would have voted "yea."

LEGISLATIVE PROGRAM

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

Mr. HOYER. Mr. Speaker, I rise for the purpose of inquiring of the majority leader the schedule for the week to come.

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

Mr. HOYER. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, the House will convene on Tuesday at 12:30 for morning hour debates and 2 p.m. for legislative business. We will consider several measures under suspension of the rules, and a final list of those bills will be sent to Members' offices by the end of the week. Any votes called on these measures will be rolled until 6:30 p.m.

On Wednesday, the House will convene at 10 a.m. We plan to consider H.R. 339, the Personal Responsibility in Food Consumption Act. In addition, we plan to consider H.R. 3717, the Broadcast Decency Enforcement Act.

Finally, I would like to remind all Members that we do not plan to have votes next Friday, March 12. I will be happy to answer any questions that the gentleman from Maryland has.

Mr. HOYER. Mr. Speaker, I thank the gentleman for that information, and also for planning purposes that assurance for March 12.

We talked last week and we know that the highway reauthorization extension for 2 months was worked out. When can we expect the committees to mark up the reauthorization bill, and when do you expect to see it on the floor.

Mr. DELAY. Mr. Speaker, if the gentleman will continue to yield, I believe the gentleman from Alaska (Mr. YOUNG) is in the process of working with the gentleman from Minnesota (Mr. OBERSTAR), the ranking member, and members of the Committee on Transportation and Infrastructure to develop a product that can move through this House before the Easter recess and be signed into law as quickly as possible. So if we back away from our Easter recess, I would hope that the committee would, within the next couple of weeks, be marking up a bill so we can get it to the floor before the Easter recess.

□ 1300

Mr. HOYER. I thank the gentleman for that answer. Can the leader tell me whether or not there is an expectation that this will be, as we have had in the past, a 6-year reauthorization, or is it possible that there would be a shorter reauthorization, say, of 2 years, obviously focused on trying to build jobs and create jobs in the country?

Mr. DELAY. It is a jobs bill, a very important jobs bill to all of us here in the House. We want to do what we can to create these jobs and get them going as fast as possible. To answer the gentleman's question about whether it is a 2-year bill, a 6-year bill, what is the amount here or there, I am not advised, quite frankly. There are discussions about all of that. I do not think any decision has been made along those lines. The gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Alaska (Mr. YOUNG) are still discussing that, but I am sure they soon will come to some sort of understanding as to how we will proceed.

Mr. HOYER. I thank the gentleman. As we, as well, also discussed last week, can the leader bring us up to date on the progress of the budget resolution and when he expects it to be marked up in committee and when we can expect to have that bill on the floor?

Mr. DELAY. It is my understanding after a lot of discussion that Chairman NUSSLE and his Budget Committee members are working furiously to complete all their hearings and be prepared to mark it up possibly as early as next week. I would imagine moving the budget resolution to the floor the week after the committee reports its resolution out of the committee.

Mr. HOYER. I know this is preliminary and it is early, but my presumption would be that as we did in years past, that the minority would have its rights to submit such substitutes as it deemed appropriate?

Mr. DELAY. I am encouraging the minority to present substitutes so that we can have a very healthy debate about the future of this country and how we would as a House decide that the importance of the budget is such that we can come to some sort of agreement as a House to move a budget along.

Mr. HOYER. Reclaiming my time, if I may say, somewhat, I know, facetiously, but we are pleased that the leader is encouraging us to do so. As a matter of fact, we are as pleased about that as we were last year when the gentleman from Texas urged everybody to support our motion to instruct, that we follow the House Democratic substitute as opposed to the one that we actually passed. So we are encouraged by the gentleman's encouragement.

Last, if I can, the FSC bill. We talked about this last week. Obviously, the Europeans have started to impose some penalties. Can the gentleman tell us the status of legislation to deal with the FSC issue?

Mr. DELAY. As the gentleman knows, the Committee on Ways and Means has reported a bill out, H.R. 2896, the American Jobs Creation Act. This was reported last year. But we continue to work with the committee and the other body and the administration to bring that bill to the floor in a form that not only meets our obligations to the WTO but also ensures the

continued competitive position of all U.S. companies. I anticipate that we will bring such a bill to the floor in the very near future.

Mr. HOYER. I presume, as well, that when and if that is brought to the floor, because there has been some real disagreement on who that bill ought to advantage and focus on as the gentleman knows in terms of domestic manufacturers as opposed to manufacturers who do a lot of work overseas, and hopefully we will be able to offer alternatives to certainly the bill that was reported out last year, if it is the same bill. As the gentleman knows, we would have an alternative to that. Can the leader give us assurance that we will have that option?

Mr. DELAY. The gentleman knows that it is the tradition of the House to keep Ways and Means tax bills very tight. We have always as a tradition discouraged amendments, but we have encouraged substitutes. I cannot speak for the Committee on Rules; but if there are alternatives in the form of substitutes, then they will be taken into consideration.

Mr. HOYER. I thank the gentleman for that observation. One additional observation. That is obviously an important option. I think the gentleman states correctly the practice of the House under both Democrats and Republicans.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. If I could ask the gentleman from Texas, I like to keep up with new trends in the House. I was struck when the gentleman from Texas, the majority leader, said he could not speak for the Rules Committee.

Is that a new development we had not previously known about?

Mr. DELAY. That tradition remains the same, I would say to my friend from Massachusetts.

Mr. HOYER. I thought of that question, Mr. Leader, but I thought it was probably not worth asking because I knew the answer. But to the other question, with respect to offering substitutes, very frankly, what happens is you can offer a substitute, but if it is not germane and you do not receive a waiver when you are granted the right to offer the substitute, obviously on the one hand you have the ability to offer a substitute, but you do not really have the ability to offer an alternative. There is a very substantial difference.

I do not necessarily expect an answer today, but I really would hope, because we are talking about very significant, important issues, where there are differences in a bipartisan fashion on either alternative, that alternatives should be allowed that are consistent with the objective, although, as the leader well knows, from time to time because of what is or is not included in the committee product may or may not be germane even though it is pointed to the subject. I offer that as food for thought because I think it is fair and I think it would be good for the American public to have a broader spectrum of options than is sometimes allowed to us, notwithstanding the fact that theoretically a substitute is made available.

I think the gentleman understands my point, and I thank the gentleman for the information.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 5, 2004, TO FILE A REPORT ON H.R. 339, PERSONAL RESPONSIBILITY IN FOOD CONSUMPTION ACT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight on Friday, March 5, 2004, to file a report to accompany H.R. 339.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 8, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday, March 8, 2004.

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

There was no objection.

HOUR OF MEETING ON TUESDAY, MARCH 9, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, March 8, 2004, it adjourn to meet at 12:30 p.m. on Tuesday, March 9, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

COURT RULING UPHOLDS INTENT OF CONGRESS IN PASSING TELECOMMUNICATIONS ACT OF 1996

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

Mr. SHIMKUS. Mr. Speaker, like many of my colleagues, I was delighted to see that the U.S. Court of Appeals for the District of Columbia issued a ruling yesterday that upholds the intent of Congress in passing the Telecommunications Act of 1996. The court found that the FCC did not comply with the Telecom Act when it voted 3 to 2 last year to adopt its highly controversial Triennial Review Order. This marks the third time since 1996 that the FCC's rules have been rejected by U.S. courts.

In its ruling, the appeals court pointed to the commission's failure, after 8 years, to develop lawful unbundling rules and its apparent unwillingness to adhere to prior judicial rulings. FCC Chairman Michael Powell, who was one of the two commissioners to oppose the Triennial Review Order, has voiced his opposition to any appeal of the court's decision and has said, appropriately, that the FCC should expeditiously get to work to produce a set of judicially sound rules once and for all. I fully support the position taken by Chairman Powell and urge the commission to prepare rules to provide the needed clarity and guidance to restore the health and economic vitality of our Nation's telecommunications sector.

SPECIAL ORDERS

The SPEAKER pro tempore (Mrs. BLACKBURN). 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 Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. MCGOVERN. Madam Speaker, I ask unanimous consent that I may proceed out of order and do my 5 minutes now.

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

There was no objection.

CATHOLIC RELIEF SERVICES BRINGS FOOD AND EDUCATION TO THE CHILDREN OF BENIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

Mr. MCGOVERN. Madam Speaker, right now there are more than 300 million chronically hungry children in the world. 130 million, mainly girls, do not attend schools. The other 170 million go to school on an empty stomach, stunting their ability to learn. I want

to describe how one U.S. organization, Catholic Relief Services, is making a difference in the lives of such children in the African nation of Benin.

We can all be proud of the work that Catholic Relief Services does in our name around the world. CRS is known for its integrated approach to development, weaving together programs that help poor nations address the challenges of hunger, malnutrition, illiteracy, and poverty. At the same time, CRS promotes community participation, empowerment, and economic opportunity.

In 2001 and 2002, CRS received funding through the United States Department of Agriculture's McGovern-Dole food for education pilot program to begin school feeding programs in six districts in northwestern Benin. The problems facing Benin are daunting. It ranks extremely low on the United Nations human development index, at number 147 out of 162 countries. In the region where CRS is carrying out this program, families engage mainly in farming and fishing, with annual incomes of around $175. During the long dry season, the food security situation becomes very tight, even by Benin standards. Only about 30 percent of parents send their children to school.

Facing these realities, the CRS-Benin school feeding program began by strengthening or creating parent-teacher associations in order to increase local commitment to education. These PTAs became involved in providing meals to schools, reaching out and encouraging local families to send their children to school, and determining how to meet basic needs regarding the number and quality of teachers. In 61 schools, the CRS-Benin program provided daily school breakfasts and lunches to nearly 9,000 children each day. It also targeted 3,500 female students for take-home rations as an incentive to increase school attendance by girls. Additional rice and soybean oil were awarded to girls who achieved at least an 85 percent attendance rate each quarter. Summer school and other programs were initiated to meet the needs of displaced or otherwise crisis-affected children.

As part of its integrated approach to development, the CRS-Benin program monetized USDA-provided soybeans to fund a number of other critical interventions for these students, including micronutrient supplements to improve student health; hygiene, health and nutrition education for parents and teachers; school latrines and other sanitation infrastructure; training for teachers and school directors in improved teaching and school management methods; and community awareness campaigns on the importance of education for girls.

□ 1315

The CRS-Benin program also works with the World Health Organization and other NGOs to administer deworming pills to the students in these schools.

In just 2 years, the program has achieved increased student attendance and enrollment, especially for girls; decreased dropout rates; and increased community participation in the schools, including contributions of local foods by families to supplement the U.S.-provided commodities. Some schools have started school gardens or farms in support of the school kitchens. And parents have showed new and improved problem-solving skills tackling such matters as teacher recruitment, improving school classrooms and buildings, and lobbying local Education Ministry officials for more teachers.

Last year the CRS-Benin program received 2 more years of funding through the McGovern-Dole program. CRS-Benin received approximately $4.1 million in rice, lentils, and sunflower oil from farmers in Colorado, Texas, Tennessee, and Kansas. The program now reaches 12,500 school children, and its achievement can only expand and solidify.

Under the McGovern-Dole pilot program, CRS once carried out similar programs in Albania, Bosnia, Guatemala, and Honduras. Deep funding cuts in the McGovern-Dole program, however, resulted in the survival of only the Benin program. Sadly, more than 95,000 children in the other four countries are now cut off from these vital food, education and health services.

I want to express my admiration and respect for the national and field staff of the Catholic Relief Services and their partners, who carry out these important programs in Benin and elsewhere. They deserve our support and they require more funding.

Madam Speaker, there is no better investment we can make for a more stable world than in the education and well-being of our children, both here at home and around the globe. I urge the congressional leadership of this House to significantly increase the fiscal year 2005 funding for the USDA McGovern-Dole program and for other USDA and USAID food programs.

The SPEAKER pro tempore (Mrs. BLACKBURN). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. BILIRAKIS. Madam Speaker, I ask unanimous consent to take my special order at this time.

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

There was no objection.

FIGHTING FOR AMERICA'S VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

Mr. BILIRAKIS. Madam Speaker, some military retirees, individuals who are eligible for military retirement benefits as a result of a full-service career, are also eligible for disability compensation from the VA based on a medical problem they incurred while in the service. Due to a 19th Century law, these service-disabled retirees must surrender a portion of their retired pay if they want to receive the disability compensation to which they are entitled.

Nationwide more than 550,000 disabled military retirees have been required to give up their retired pay in order to receive their VA disability compensation. For nearly 2 decades, Madam Speaker, I have introduced legislation to correct this longstanding problem, commonly known as concurrent receipt, in the House of Representatives.

Last year our Republican Congress and President George W. Bush reached an historic agreement that changes the 100-year-old practice of having disabled veterans pay for their VA disability out of their military retirement. The new law greatly expands the Combat-Related Special Compensation Program, which we refer to as CRSC, by repealing the 60 percent minimum disability requirement which was set forth in the 2003 Defense Authorization Act. Effective January 1, 2004, earlier this year, CRSC is payable to any military retiree, including personnel who qualify for reserve retirement, who has at least 20 years of service, a Purple Heart and/or injuries sustained while performing military duty in a combat situation or with military equipment or during military training. Retirees must apply to their military service for CRSC payments, but there is no phase-in period for the CRSC benefit.

The new law also phases in full concurrent receipt benefits over the next 10 years for those who have service-connected disabilities rated 50 percent or higher. In addition, the law extends concurrent receipt and CRSC coverage to Reserve and National Guard retirees who were inadvertently excluded from the CRSC program when it was originally enacted. I am pleased to report that on February 1 approximately 150,000 disabled retirees began receiving their new benefits.

Unfortunately, Madam Speaker, the issue of concurrent receipt has become something of a ''political football.'' Some of my Democratic colleagues have been working hard to convince our Nation's veterans that they are truly dedicated to keeping America's promise to them. I find it highly ironic that these Members are now commending themselves for their recent leadership on an issue that I have been

pursuing for 18 years and I have a simple question for them: ''Where have you been all of these years?''

For the 40 years that the Democrats had nearly exclusive control of Congress, they never sent a bill, never sent a bill, to end this unfair practice to either a Republican or Democratic President. Moreover, the House Democrats have never included one penny for concurrent receipt in any of their annual budget proposals. For the first 9 years that I worked on this issue, I was stymied at every turn by the party who controlled Congress. My 1993 Discharge Petition was signed by a small fraction of those who last year expressed a sudden interest in the issue by signing the Democrat Discharge Petition. Not a single disabled retiree, Madam Speaker, received any concurrent receipt benefits under the Democratically controlled Congress.

However, Democrats are now shamelessly attempting to hijack this issue in an effort to portray themselves as friends of disabled military veterans. It was not until the Republican Party took control of Congress in 1995 that we have made significant progress, a step-by-step advance towards full concurrent receipt. The Republican-controlled Congress has acted on five separate occasions to address the concurrent receipt issue.

Republicans also fulfilled the pledge given to millions of military retirees that they would receive lifetime medical coverage in exchange for their selfless military service to the Nation with the enactment of the TRICARE-for-Life program. Moreover, spending for veterans' health care programs has grown by 49 percent over the past 5 years, grown by 49 percent over the past 5 years. So I ask which political party has been the true, underline ''true,'' friend of our Nation's military retirees and veterans?

Despite this breakthrough, full concurrent receipt does remain a priority goal for all of us who have been involved in the campaign to provide equity to America's disabled military retirees. In the interim, Madam Speaker, of reaching our ultimate goal, I would say that I am very proud of our accomplishments on behalf of the brave men and women who have sacrificed so much for our great Nation.

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.)

ORDER OF BUSINESS

Mr. TOWNS. Madam Speaker, I ask unanimous consent to take my special order at this time.

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

There was no objection.

CONGRESSIONAL TRIBUTE TO BERTHA WOODARD JOHNSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. TOWNS) is recognized for 5 minutes.

Mr. TOWNS. Madam Speaker, I rise today to pay tribute to Bertha Woodard Johnson. Bertha Woodard Johnson is the daughter of the late Sadie Woodard and Richard Wallace. She was born in Chester, South Carolina and reared by her mother and grandmother. Mrs. Johnson spent a life providing services for the needy, with a particular vocation of serving children and the elderly. She has worked tirelessly to improve the quality of life through active participation and personal generous donations of her time and talent. This passion to help people led her to become a care giver and nurse for over 45 years. Before retiring, she received numerous awards and accolades for her dedicated service including ''Nurse of the Year.''

In a recent celebration in my district, where people came together to pay tribute to Bertha Johnson, they came from all over. They came from Tampa, Florida. Pastor Giles, of course his wife, Deacon Jackson, her daughter Mary and of course Natalie and Ramona. They just came from everywhere to celebrate the life of Bertha Johnson. She is a person that had done so much to improve the quality of life for so many. There were people there who said ''I would not be able to be where I am if it had not been for Bertha Johnson.'' Not her children but people that she influenced, people that she encouraged to do positive things this life. It was the most moving experience I think I have ever encountered.

And I would like to take this opportunity to salute Bertha Johnson; her husband, Charlie Johnson; and all of the Johnson family for the outstanding job that they have done in terms of improving the quality of life for people down through the years and to listen to folks call her Mother that were not even her children but they came and were supportive of her because of the fact that she made such a difference in their lives. There are not too many people around that have the influence and have been able to give the kind of support that Bertha Woodard Johnson has given to so many but recognizing that she could not have done that without the support of her husband, Charlie Johnson, who has been right there by her side and she was able to go out and do things on behalf of people.

I would like to say to the House here today we take the time now to salute Bertha Woodard Johnson for the outstanding work that she has done down through the years and say to those that came to encourage her we salute them as well because we can say without any reservation that Bertha Johnson has made a difference and it is a life well lived. We continue to support her and we know that she will continue to do great things on behalf of the people not only in the area where she lives but throughout this Nation. We salute Bertha Johnson on this day.

JUDICIAL ACTIVISM, A GRAVE AND GROWING PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. LEWIS) is recognized for 5 minutes.

Mr. LEWIS of Kentucky. Madam Speaker, I would like to take this opportunity to speak about judicial activism, a grave and growing problem in our current national discourse that is threatening our democratic principles, eroding the consent of the governed, and radically altering the social fabric of our American society.

It should be of little surprise that the impetus of this debate, and the modest solutions I intend to set forth, stem from the November ruling by the Massachusetts Supreme Court to allow same-sex marriages and the subsequent rulings on the constitutionality of the Defense of Marriage Act that have followed.

I am a strong supporter of numerous legislative measures currently being considered by this Congress, aiming to define marriage as an exclusive union between one man and one woman. However, I believe a more comprehensive solution is necessary to address the broader, troubling trend toward judicial activism, a development with definitive implications beyond just the issue of marriage.

America's judicial branch has become increasingly overreaching and disconnected from the values of everyday Americans, many of whom I represent in the Second District of Kentucky. The recent actions taken by courts in Massachusetts and elsewhere are demonstrative of a single branch of government taking upon itself the singular ability to legislate. I believe these actions usurp the will of the governed, circumvent representative government by allowing tribunals of a select few, not elected or otherwise politically responsible, to conclusively rule on issues that are radically reshaping the societal traditions of our great Nation.

Clearly, this issue is one about power, not in the raw political sense but in terms of the allocation of government authority between each branch of government, specifically between Congress and the Judiciary, in a federal system that relies on checks and balances to protect our liberty. This is a debate that has been taking place since our founding.

At no point is the tension between Congress and the courts greater than in the realm of constitutional interpretation. The Constitution does not expressly provide for judicial review. Instead, the right of judicial review is a practice with origins from the bench

itself, established in 1803 when Chief Justice John Marshall ruled, ''It is emphatically the province and duty of the Judicial Branch to say what the law is.''

The Marbury v. Madison case decision provides an extraordinary recognition of judicial power in a constitutional form of government. The exercise of such broad authority, expanded over time through political tradition, clearly has a growing adverse effect on the relationship between coequal arms of our national government. As judicial power expands, congressional power contracts. This is especially true when the power to interpret the Constitution rests in the hands of activist judges anxious to find the latest ''right'' hiding between the lines of our founding document.

Our Founding Fathers created three separate branches of government, each with equal checks and balances on the other. Our founders also ensured that each branch, including Congress, play a role in constitutional interpretation, requiring officials in each branch to take an oath to support and defend the Constitution.

The framers did not give authority to one branch over the other. Certainly each branch has its separate functions, but debating, defending, and upholding the tenets of the Constitution involve the decision and duties of each branch. As a Congress, we must change our thinking and reaffirm our authority to interpret constitutional issues in concert with, and independent from, the courts.

The framers of the Constitution were advocates of serious debate who believed that the deliberation of the political process should always be open to the people. If the courts continue their dramatic move toward self-proclaimed interpretive power, I believe Congress, as the people's branch of representative government, should take steps to ensure equal balance and authority to check the final results.

□ 1330

I am introducing legislation today to address these serious, pressing issues in a direct and forceful manner. The bill that I have authored, if enacted, will allow Congress, by a two-thirds majority of each House, to reverse a judgment of the Supreme Court. This additional check may only be enforced on rulings concerning the constitutionality of an act of Congress following the enactment of this bill.

In his first Inaugural Address, Abraham Lincoln warned, ''The candid citizen must confess that if the policy of the government upon vital questions affecting the whole people is to irrevocably fixed by decisions of the Supreme Court, the instant they are made, the people will have ceased to be their own rulers, having practically resigned their government into the hands of that eminent tribunal.''

It is my hope that the people and the courts will see my position and recognize the serious problems arising from this growing imbalance of constitutional authority. I urge my colleagues from both sides of the aisle to redress judicial activism, protect the equal dignity of this governing body, and preserve the majority will of the governed by supporting this legislation.

The SPEAKER pro tempore (Mrs. BLACKBURN). Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HONORING THOMAS RUTECKI

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

Mrs. BIGGERT. Madam Speaker, I rise today to honor one of our fellow citizens, Thomas Rutecki, who displayed an act of great courage when he put himself in harm's way to save the life of another.

His story reads like a scene from a movie. From a distance, a passerby sees a woman in a motorized scooter. One wheel has become lodged in the train tracks. He walks on to the tracks to help her, when, all of a sudden, the warning lights at the train crossing begin to flash.

Seeing the lights from an Amtrak train barreling down on them, he frantically tries to dislodge the wheel of the scooter. Unable to free the motorized scooter from the tracks, he picks her up and shields her with his leather coat, only inches from the track, leaving only 5 seconds until the train shatters the motorized vehicle.

A daring scene from a movie? No, it was just what occurred on Tuesday, March 2, in my district in downtown Downers Grove, Illinois. Thomas Rutecki, a Navy veteran, risked his own life to save the life of Rosetta Wiedemann, a wheelchair-bound blind woman on her way to a local deli to buy a loaf of bread.

Not concerned with his own safety, he placed his life in the path of a high-speed train to save the life of another. It was an act of utter selflessness and heroism.

I would like to honor this hero today. He may be retired from the Navy, but he continues to honor all of us with his kind and selfless act of bravery. Our hats are off to you, Thomas Rutecki.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER 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 Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas 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 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.)

UNEMPLOYMENT: A SERIOUS ECONOMIC AND SOCIAL PROBLEM FACING THE COUNTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Massachusetts (Mr. FRANK) is recognized for 60 minutes as the designee of the minority leader.

Mr. FRANK of Massachusetts. Madam Speaker, I am here to talk about a very serious economic and, therefore, social problem facing the country. We talk about the unemployment statistics, we talk about the ebb and flow in the job market, and the particulars are important. But by now we have enough evidence over the past several years so that we should be focusing not on month-by-month figures, but on what appears to be a very significant change in the nature of our economy. Indeed, I think we may be at a major inflection point.

I hope I am too pessimistic. I hope tomorrow there are going to be figures that show much greater growth in employment than we have seen. But even a good one month is not going to undo the problem we are facing.

Here is the problem: we have had a recovery from a recession over the past couple of years. In 2003 in particular, in the third quarter we had very significant growth, aided by a series of government programs and the natural cyclical rebound from a period of slowdown, and we had growth in the fourth quarter. What we have not seen is the growth in employment that ordinarily accompanies this degree of economic recovery.

In short, it appears from a variety of indicia that we are at a point where the ability of the private sector in this country to create wealth is now outstripping its ability to create jobs. The normal rule of thumb by which a certain increase in the gross domestic product would produce a concomitant increase in jobs, it does not appear to apply.

By the way, among those who were misled by the assumption that the normal rules would apply are the leading economic officials of the Bush administration. For example, in October of last year, Secretary of Treasury Snow said, ''I am confident that this economic recovery will now be sustained and will

produce loads of new jobs. Everything we know about economics indicates that the sort of economic growth expected for next year, 3.8 to 4 percent, will translate into 2 million new jobs from the third quarter of this year to the third quarter of next year. That is an average of 200,000 new jobs a month.''

Well, we have had 4 months of experience since the Secretary told us we would get 200,000 new jobs a month. We have gotten less than 40 percent of that. In a period in which his reading of the rule of thumb said there would be 800,000 new jobs, we have gotten 300,000.

Similarly, interestingly, we then got from the Council of Economic Advisors and the President's economic report a projection that we would get in this calendar year 2.6 million new jobs, more than 200,000 a month. Shortly after that projection was made, it was repudiated by, guess who? The very same Secretary of the Treasury who had predicted the 200,000 a year. He and the Secretary of Commerce were sent out to do that. Then the President distanced himself from it. We use that word in Washington a lot, you ''distance'' yourself from it. That means you deny it.

Then the chairman of the Council of Economic Advisors, Mr. Mankiw, himself repudiated his own estimate. Here is what is significant. People make mistakes, but his explanation was interesting. On February 17 at the National Economists Club, asked about the job forecast of 2.6 million jobs, which had by then been abandoned by everybody, including himself, his response was, ''That particular forecast was made in early December, and we have seen more data since then.''

Now, he went on to say he still hoped for more jobs, but his explanation of why the 2.6 was now inoperative is very simple: that forecast was made in early December; we have seen more data since then.

In other words, last fall both the Secretary of the Treasury and the Chairman of the Council of Economic Advisors were going under the old rule that said a certain amount of increase in the GDP, you will get a certain number of jobs. And that turns out, sadly, to have been wrong.

We are in a situation in which the ability of the private sector to create wealth is now leaving behind its ability to create jobs.

By the way, we got further confirmation of that from Alan Greenspan. On February 11, testifying before the House Committee on Financial Services, he was asked what we could expect with regard to unemployment. Our colleague, the gentlewoman from New York (Mrs. MALONEY), asked him, what about unemployment going down? His answer in effect was only if productivity drops.

To quote specifically, asked if the 2.6 million jobs, which, of course, had already been abandoned by the administration, was credible, he said, ''It is a credible forecast, if the rate of productivity slows down to a more historical average.'' He later said he did not expect productivity to slow down.

In other words, he joins the Secretary of Treasury and the Chairman of the Council of Economic Advisors in telling us we are not going to get the job growth they had earlier predicted, hoped, wished for, et cetera. But understand the explanation: we will only get a significant drop in unemployment, we will only get the historic drop that we can expect in unemployment, if productivity goes down.

What an unfortunate situation. After all, an increase in productivity is good news. In the economic sphere, it is one of the goals of civilization, to be able to produce more with less; more leisure, less effort. Increased productivity ought to be a good thing. But people who are now unemployed listening to Mr. Greenspan are forced to root against productivity. He tells them that if productivity continues to rise at a higher than historically average rate, that the chances of their getting jobs goes down.

That is where we are today. For a variety of reasons, we have a situation in which increased wealth has been somewhat disconnected from increased jobs; not entirely, but the connection has been loosened.

Another way to put that is this: a disproportionately large share of the increased wealth in this society is now going to the owners of capital. Our usual rules of shared increases in wealth have broken down, and people who work for others are getting a smaller share compared to those who own capital.

By the way, we see this not just in unemployment. Partly because of the increase in unemployment and what that does to the labor market, et cetera, we have a situation in which not only has unemployment stayed higher than historically we had hoped, but wage growth has been below the norm.

The Economic Policy Institute has a very interesting chart which shows the real growth in wages and salaries in the past six recessions, 2 years after the recession ended. Here are the increases in real growth in wages and salaries: 10 percent; 12 percent; 9 percent; 11 percent; 3.6 percent; and, in the current period, in the period since this recession was officially declared over by the National Bureau of Economic Research, 0.4 percent. In other words, virtually no growth in real wages.

Last year, in fact, in another calculation that is presented by the Economic Policy Institute, although it is not controversial, these are basic figures, last year, the year in which we had some real growth, 6 months of last year, after all, were great in terms of overall growth, real wages dropped, median earnings went up 2 percent; but inflation went up 2.3 percent.

In other words, during that period of great growth, not only did our unemployment stay higher than it should have been; real wages did not go up. In fact they went marginally down for people employed. In fact, over the last 2 years, the total increase in median wages here is 3.8 percent. Inflation is 3.9 percent and wage growth is 3.8 percent. So over a 2-year period, 2002 and 2003, there was marginal erosion in real wages.

It is not simply that unemployment has stayed up and real wages have lagged. Health insurance is another area where we have serious problems. In the period from 2000 to 2002, the number of people who were receiving health insurance from private employers dropped by 2.8 million. The number of people with health insurance went up, but it went up because the government sector, Medicare and Medicaid, made up for the erosion in the private sector.

The private sector's profits have gone way up. They are very high. Compensation at the upper levels, the top 1 percent, they are very good. But unemployment, employer-covered health benefits, real wages, are all lagging badly. And while I do not have the statistics on this right in front of me, what we know about health insurance is not only are more people losing privately paid for health insurance; many of those who keep it, keep it by paying a larger percentage of it. Health costs go up, and to the working person it is a double whammy, because they pay, in many cases, a higher percentage of a higher overall cost.

□ 1345

This is the problem then. We are at a situation in which as growth goes forward, and that is a good thing that growth is going forward. It was to be expected and hoped for. We were in a recession. We also have had conscious government policy promoting growth. We have the largest budget deficit, and as we know now, the Republican administration has implicitly become cagey in this regard and they argue that this kind of stimulus that comes from a very large deficit is a good idea, although they continue deficits long after we hope we will need stimulus. You have the lowest real interest rates in memory by the feds.

So everything the Federal Government can do in monetary and fiscal policy to stimulate the economy has been done. Not surprising that given that we start in the recession and you have maximum fiscal and monetary stimulus you get some growth. It is disappointing we have not gotten more. It is a little bit like buying a new car, jumping on the accelerator, and getting it up to 50. It is good for your staying in the speed limit, but it does not say a lot for the engine.

But the discouraging thing is that with maximum stimulus, fiscal and monetary, from the Federal Government, we are seeing no growth in real wages over 2 years, a slight erosion last year, people losing health care on the

whole from private employers and paying more for what they get, and unemployment staying too high.

What do we do about it? First of all, we have to analyze the causes. Some of the causes are inherent in the nature of the economy. Productivity does have the effect of allowing us to do more with less, particularly when you are coming out of a recession and people are reluctant to hire. There are also international trends which no matter what we try to do will be somewhat erosive of the position of some workers in this country. But this situation in which almost all of the benefits of growth are going to the owners of capital would not exist without conscious public policies that promote it.

Public policy in my view, and I will get to specifics, ought to be leaning against the increased inequality that the private sector is creating.

Madam Speaker, let me give you my philosophy. I am a capitalist. I believe the free enterprize system is the best way to create wealth. That means I welcome some inequality in the system. If you do not have inequality, if people are not unequally rewarded for their skills, for their energy, for their correct guesses or intuitions about what the public will want, then the system does not work. But I also believe that left entirely to its own, as I thought we had decided as a country with Franklin Roosevelt, more inequality will be generated than is either socially healthy or economically necessary.

I know there are some conservatives that say, well, that is just the politics of envy. Inequality is unimportant. The only thing that counts is the absolute level. Let me quote what they feel may be an unlikely source in the defense of my argument. It is Mr. Greenspan on the same day he testified February 11. He volunteered that he agreed that, well, let me read it exactly.

I had spoken earlier about my concern about increased inequality and he volunteered, ''I happen to agree with Congressman Frank that it is very important in this country not only to have an equitable society but to have it perceived as being inequitable because no democratic system can function unless the people believe it is inequitable. And I think that it is crucially important for us to reduce the income inequality in this country.''

Now, he goes on to say that he thinks a major way to do that is through community colleges. I am a strong supporter of community colleges, which do a wonderful job. I think Chairman Greenspan imposes on them too much of the burden. But regardless of our disagreement about how you deal with inequality, I welcome his statement. Let me quote it again.

''It is crucially important for us to reduce the income inequality in this country.''

The problem is public policy has gone the other way. It has exacerbated it. How has it done that? First by changes in the Tax Code.

When President Clinton asked this Congress in 1993 to increase taxes it was predominantly, overwhelmingly on people making incomes of $100,000 and above and that was 10 years ago. Mostly on people making more than $150,000. For the first time, according to the Congressional Budget Office, that tax bill made the tax system somewhat more progressive. It meant that wealthier people paid more than they have been paying and lower income people less in terms of shares given their income.

President Bush has succeeded in persuading this Congress on several occasions to reduce taxes predominantly, overwhelmingly on wealthy people. The administration has said the goal is to reduce virtually all taxes on capital.

Ownership will pay no taxes. Ownership will get the benefits of the increased wealth but pay none of the taxes. So the Tax Code is one of the reasons we have increased inequality. Another is the systematic attack that has been made on labor unions.

Labor unions have played a very important part in this country in helping middle income, moderate income working people gain some share of income. There has been a consistent assault on them from this Congress and from the President.

Madam Speaker, I would not have thought that so many years, 70 years almost, after the passage of the Fair Labor Standards Act in the New Deal that overtime for people who work by the hour would be a controversial situation. But this administration, with the acquiescence of the Congressional leadership, is allowing overtime to be cut back. So we weaken what instruments are out there to help working people. We change the Tax Code in ways that promote inequality. We pursue an international economic policy which maximizes the extent to which globalization undermines income shares in this country.

I was pleased to be at Davos, Switzerland, at the economic conference. One of the moderators of a panel I was at on inequality, because the people who run that conference agree with Chairman Greenspan and myself that inequality is in and of itself a bad thing. It needs to be addressed. The moderator made a good point. He said, there are two kinds of inequality we have to address. There is inequality between countries and then there is inequality within countries.

The defense that we have heard of international trade, much of which I agree with, has focused exclusively on diminishing inequality between countries. That is a good thing. I want to help poor people elsewhere. But this administration has in a determined way pursued that international economic policy and justified it as helping to deal with poverty elsewhere. But they have done it in ways that have exacerbated inequality within countries, within our own country and within others.

International trade that basically says, you know what, labor regulations and occupational safety and health regulations and environmental regulations, they are an interference with the function of capital. Therefore, let us tell other countries that we will put no pressure on them to deal with any of those things, and then let us use the absence of those things as a lever to reduce them in our own country.

Understand, it is not as the conservatives here believe that there is no comparative impact of differential environmental policies. Indeed, when President Bush explains why he is against doing anything about global warming, certainly against the Kyoto Treaty, explicitly he and members of the administration say we cannot join that treaty with global warming because China and India are exempt from it and that will make a competitive disadvantage for our people.

Of course, his Chairman of Economic Advisers will tell him that you go over that by outsourcing to China and India. That is a good thing. And he should not have to worry. But the President does not go quite that far.

Some of us say, you are right. The fact that they have no environmental rules and we have some does exacerbate our competitive disadvantage. Let us try to get them to do some environmental things.

No one I know of says that the wage level, the minimum wages or the working conditions ought to be the same in the poorest countries of the world as in the U.S. No one is arguing that. That is a straw man.

What we are saying is they should not go standardless. There should be the core labor principles of the International Labor Organization: The right to bargain collectively, the right to form unions, the right to begin to organize as American workers did. Had there never been unions and Franklin Roosevelt had not gotten passed the National Labor Relations Act, we would not have had the kind of middle class that we had in America of which we now boast. They did not do it all by themselves. They were an integral part of it.

At any rate, what this administration wants to do is follow an international economic policy that is further erosive of the ability of working people in this country to maintain some gains because they subject them to maximum competition from others who do not have that. Obviously, there are different wage levels. There are jobs that will go overseas purely economically. That should not be enhanced by an undeserved advantage because there are no unions, because there is child labor, because there are no environmental rules, because there is no concern for occupational safety. That is, yes, comparative advantage in economic terms has a lot to be said for it, but adding to that differential public policies, not only is it in itself bad but it becomes the premise then to

come back home and try and dismantle it.

American workers are told two things by this administration. One, we are not going to try to encourage other countries to require them if they want access to our markets. The American markets are the greatest thing in the history of the world. People want our capital. They want access to our markets. We have a right to condition that on reasonable legislation and regulation that meets minimum standards of civility.

Instead, what we are told is you come here and we will not require of you anything that is protective of those basic human rights. And then American workers will be told by their workers, you know, I am competing with people who do not have unions. I am competing with people who do not have to put up with this occupational stuff so I have got to cut you back. And let us throw in here the very serious problem of health care.

I note on the floor my colleague from the State of Washington (Mr. MCDERMOTT), who has been one of the leaders in this Congress in trying to get a sensible health care system in, one of the things that has contributed to the difficulties that American workers face is our system of tying your health care to your place of employment. That has serious negative consequences. And today as the forces I have been talking about have eroded the ability of working people to defend themselves, we are seeing this in the health care area.

Remember, fewer people today, in the millions, have employer-generated health care and many of those who do have health care that costs them more. Fewer people, and they are paying more for it.

So those are some of the ways in which public policy makes the situation worse. As I said, I accept the fact of inequality. I just do not accept that it is a good thing. It makes the system work. But the role of government ought to be to contain inequality, not promote it, and that is what we have.

Let me talk about why I think inequality is a bad thing. It is nice to be able to cite Chairman Greenspan, but to be honest I do not agree with him on cutting Social Security or a few other things so I should not just rely on that citation.

I think it is a moral issue, a situation in which people receive millions, tens of millions of dollars in bonuses, a situation in which profits go higher and higher and the market is now doing well and we are all glad to see that, a situation in which the owners of capital find their wealth enhanced, but working people lose their health care, people are unemployed, children do not have adequate housing and other necessities. That is morally unacceptable to me.

But I understand, Madam Speaker, particularly in this particular Congress, the moral argument will only take you so far. When I argue that we should deal with inequality because it is immoral I am reminded of what Adlai Stevenson once said when someone said to him, Governor, you have got the votes of all the thinking people. And he said, well, yes, but the problem is that I need a majority.

Of course it was his penchant for making remarks like that that helped him in getting a majority. But I think there is a strong moral argument here, but I need a majority so I will not rely only on that.

There are two other reasons for helping us reduce inequality, helping us reverse it. Let me just repeat this because I think we have not fully focused on that. We talk about unemployment in a kind of isolation. We talk about other things in isolation. There is an overall picture here. The overall picture is that the private sector is creating wealth and exacerbating inequality at the same time. It is creating wealth without creating an adequate number of jobs. It is eroding health care. It is preventing real wages from going up so that profits are going up much more rapidly than real wages.

Essentially, we have a combination of economic factors and technological factors and public policies, which mean that a disproportionately large share, nearly all of the increased wealth we are producing, goes to the owners of capital and virtually none to the people who do not own a huge amount of capital and get their compensation from the work they do every day.

Now, as I said, I think that is morally flawed. That is why I am in politics, to try and reduce inequality without reducing it to the point where it interferes with inefficiency. And we are, of course, nowhere remotely near that.

But let me give two other self-interested reasons. First is a political one. I read recently that the Republican leadership has decided that they probably better not put the Central American Free Trade Treaty up.

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I have disagreed with the trade treaties that have come forward for reasons that I have said. I think globalization is a necessary thing. It is a fact of life, and it can be a good thing if it is done well. It is important for us to try to reduce poverty elsewhere: good morally, good politically, good practically.

I never liked the particular trade treaties. So I am talking now to the people who do. There are people out there who think that getting more trade treaties through is, in fact, important for the economy. There are people who believe that continuing to allow businesses to rationalize their workforces, rationalize means cut, that that is a good thing.

What do you see today? You see great opposition to the trade treaties. They are afraid to bring any up here, for good reasons. They would probably lose. They have Republicans saying to them, please, I have enough problems that you have created for me; I do not need to vote for trade treaties when there is this terrible problem about unemployment.

You are going to see legislation adopted, you do not have to be a genius to predict this, which says if you are going to get government money in this contract, you cannot outsource, because outsourcing has bothered people. Ten or 15 years ago, I was representing an area that had a large textile and trade employment base, and we were told, well, stop worrying about that, these people should understand. That is not a good job for an American. We will retrain them.

Well, first of all, the extent to which you were going to retrain some 49- or 53-year-old with a high school education was limited in terms of its appeal to them; but even to the extent that you were retraining, let us note that the jobs that I was being told 15 years ago, for which we would retrain people, we would not only now have to retrain them, we would have to buy them airplane tickets because they are going out of the country. The jobs being outsourced today are the jobs for which we had been told we should retrain people.

I do not think the answer is just to stop this. I do not think you can say, all right, we do not want any more of this going on in the economy. I understand the importance of economic transition, although I believe that we are failing in our responsibility to manage that transition.

What I will point out now is this: precisely because of the public policies that have exacerbated inequality, what you have done, those of you who have promulgated those policies in the administration and the congressional leadership, in the business community, in the intellectual circles that reinforce them, you are increasingly persuading the American people that they have no skin in this game of economics, that they will not benefit from this increased wealth. So when you say to them, do this, it is in your long-term interest, they turn against you.

So precisely out of self-interest, those who believe that increased trade and the ability to outsource and flexibility in the labor market, if you believe those things, understand that the policies that you have supported in the short-term and the consequences of that have built up a resistance you cannot overcome. Those people who believe in increasing the ability of capital to find its own level are going to find they are going to have the worst year they have had this year than they have had in a very long time because they have convinced most Americans that it is not in their interests.

I talk about this with Mr. Greenspan when he testifies. He will cite in his speeches and elsewhere a very eminent deceased economist, Joseph Schumpeter. In his great book, ''Capitalism, Socialism and Democracy,'' he

talked about creative destruction. He said, you know, he did not say you know. He was an illustrian, much more formal than me. Than I. He would not say than me either. Joseph Schumpeter said, when you destroy old economic entities because they are outdated, new ones will be created out of the resources freed up. That is what he means by creative destruction, Mr. Greenspan. As old economic activity is outdated, that frees up people and resources for new economic activity; and Mr. Greenspan is prone to say to people, I understand you are losing your job and that is a problem, but in the long run this will be good because out of this will come this new stuff.

Well, as I have told Mr. Greenspan, there is another economist whom people believe much more instinctively, John Maynard Keynes, because if you listen closely to the Bush administration and some of the conservatives here, a lot of Keynes-ism has sneaked in as they tried to justify the world's largest deficits by short-term budget terms.

Keynes also said something very smart politically: in the long run we shall all be dead. People understand that. Telling some 45-year-old worker with a couple of children that he or she should not despair at losing the job that he or she has had for 20 years because out of the loss of his or her job new jobs will be created at some point in the future, which he or she probably will not get, does not help them. They are resistant.

So people should understand, one of the prices they are paying for enhancing inequality, encouraging it, is that you have persuaded most Americans, an increasing number of Americans, it may yet be most, but it is certainly a lot, they are immune to your argument that this is good for the economy and the country. I do not think that is healthy. I do not agree with necessarily every one of those specific policies, but I do not think we ought to have this angry public resistance to overall growth; but you have built it up, and we need to tell you how you can undo it.

Now, there is another reason why this is not good economically. One of the private sector economists, Stephen Roach, who has done a good job of documenting the fact that we are at an inflection point, that we are in a situation in which we simply are not getting the job growth we thought historically we would get, well, let me just quote him: In my view, the income leakages of imported productivity, that is, when you send the jobs overseas, et cetera, that is imported productivity, the income leakages of imported productivity raise serious questions about the sustainability of this recovery from an economic point of view.

What you are saying is this, the economy is sustained to some extent by its own momentum. One of the things that helps you grow is the income that is generated by that growth. There is a beneficial cycle that we call it. You are not getting that now because as the profits grow and wealth grows, but real incomes of most of the people do not grow, there is a missing element in the economy. Short term, we are not hurting; but there is a very real prospect that this increased inequality will stunt our economic growth. In other words, the situation in which growth is great but all of the benefits of growth go to a handful is not long-term sustainable. So, once again, even those who do not mind the increased inequality do not understand they are building in a difficult situation.

Wage and salary disbursements, Mr. Roach points out, are basically unchanged in real terms fully 21 months into this recovery. By contrast, at this juncture in the past six upturns, real-wage income has been up on average by about 9 percent. Absent other sources of support, this shortfall of internally driven income generation could end up spelling serious trouble for the overly indebted, saving-short American consumer. Let me read that a little more sensibly, for the overly indebted, saving-short American consumer. In short, there is a good reason to doubt the sustainability of a recovery built on a foundation of imported productivity.

In other words, when you create wealth and some of it goes, most of it, to the owners of capital and some of it goes to people outside our economy, you are not doing the kind of self-sustaining recycling of economic activity that you need. So that is where we are.

We are at a situation, as I said, which seems to me an inflection point. The normal rules by which a certain amount of economic activity in the country will produce a certain amount of jobs, that has been eroded; and as we have seen high profits, we have seen a fall-off in real wages. We have seen a fall-off in the private sector provision of health insurance which is supposedly the major way we do it. We have seen unemployment staying above where it should be. We have seen profits do very well. We have seen the market go up. We have seen upper income compensation stay up. We have seen the Tax Code change in ways that unfortunately reinforced that.

Well, it is fair to say at this point, okay, what do you do about it, because conclusions are not always easy. Some things we can do. When it comes to inequality in the society, there is, of course, the story about a man who goes to the doctor and says, Doctor, when I hold my arm this way it hurts, and the doctor looks and looks and cannot find anything wrong, and he says, okay, I know what to do. He says what? Do not hold your arm that way.

I mean, to a certain extent, you can remedy something by simply not continuing to do it. We can stop changing the Tax Code in ways that exacerbate inequality. We can stop encouraging owners of capital to find ways, with tax help in some cases, to export jobs and import productivity. We can stop weakening labor unions, stop eroding the ability of working men and women to stand up for themselves; but we can go beyond that.

First, with regard to international trade, and I do not want to stop it, not anybody does, but we have a group here, one of the leaders intellectually is the gentleman from Michigan (Mr. LEVIN), who is the senior Democrat on the Subcommittee on Trade, and a lot of us have worked with him, we do not want to block trade, but we want to deal both with income inequality between countries and income inequality within countries. We do not want the one to be exacerbating the other.

We do not expect other countries to have the same wages and environmental and occupational health policies we do, but we do not think they should have none either. We think they ought to be encouraged to level up some, and it will not stop trade; but it will diminish the depths of the comparative disadvantage and make it a more legitimate one.

We can, as I said, even change the Tax Code to make it even more progressive. I think it is entirely legitimate for this government to say, by the way, where the government, where the people, through their taxes, are paying for jobs, we do not want you outsourcing them. Even if it costs us a little bit more, we believe that the value to this society of not having that source of income in jobs lost is worth it. So I think restrictions in outsourcing will help.

But there is one other thing I want to address in particular here. It is one that I think I and many Democrats have not been sufficiently explicit about.

One of the important sources of relief here is government. I know it is very fashionable to bash government. From the platform just behind me, President Clinton, with whom I was usually in agreement, made a big thing of saying the era of Big Government is over. Well, in worldwide comparative terms, the era of Big Government never really got started here, and our problem today is too little government. Of course, we want government to be sensible. We do not want excessive regulation. I have supported many of the deregulations, but there is a role for government today that we are ignoring.

I mentioned as an example health care, and I pointed out that health insurance coming from private employers has dropped. The only reason that health insurance in the country as a whole has not dropped is we have taken up that slack through government, through Medicaid, through Medicare. People tell us, well, government medicine is terrible.

In my experience, the most popular form of medicine in America is that which is delivered through the Veterans Affairs Department; and anybody who tells World War II veterans, average age of 80 or so, that they are not

going to get their VA medicine anymore better be ready for World War IIA because they are going to be very angry at you.

In fact, we have relied on government to plug part of the gap that is increasingly left in the provision of health care by the private sector, and I am for those as stopgaps; but we would be much better off following the lead of my colleague who I have referred to earlier from Seattle, the gentleman from Washington (Mr. MCDERMOTT), and let us do this in a systematic way.

We need more of a government role in health care, and breaking the nexus between your private job and health care makes sense from every perspective. It would remove a disadvantage from some American businesses, and I would say this to Mr. Greenspan and others who preach patience to those who are losing their jobs to these trends. It is one thing to lose your job, get unemployment for a while. We will get to that in a minute, maybe get another job. Increasingly, though, the jobs you lose had some health benefits and the jobs you get do not.

One of the things that people who kind of blithely tell people do not worry about it, creative destruction, you will be okay in the long run, maybe not blithely, maybe that is unfair, but who tell people just buck up, they do not understand the terror and horrors of losing health care. As long as Americans who lose their jobs are told they are also losing their health care, they are resistant to what is euphemistically called labor flexibility and will understandably and legitimately be very tough.

Let us begin by providing health care to every American whether or not he or she is employed and regardless of where he or she is employed, and you will reduce a lot of the resistance and a lot of the pain that comes from these transitions.

I do not think we should try to stop economic transitions, and I do not think we can; but it is our responsibility as public sector people, as the private sector undergoes these transitions, to manage them better, to ease the pain of the victims of the transition, to use some of the wealth generated by this increased productivity, by this labor flexibility, by this rationization and globalization. Let us use some of the wealth not simply to go to the pockets of those who own but to deal with the social problems generated by that very transition.

Government also has a major role here in the job area. People then say, okay, what are you going to do about the jobs? Here is the way I would conceptualize it.

We are now, as I said, in a situation where the private sector produces more wealth than jobs. I believe we should take a percentage of that increased wealth, a fairly small percentage, certainly nothing that is going to interfere with incentive, and use it together, the people coming together to employ people on socially useful purposes. Yes, we got some boosts from tax cuts last year during the recession. I think we would have gotten a better boost economically and socially if we had given more to the cities and States and municipal governments. They added to the unemployment problem, not willfully. They hated to do.

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But for a variety of reasons, as we were trying to get the private sector to add jobs, we were involved in policies that cost jobs at the local level. Had we instead given tens of billions more to the local governments and State governments, we would have had better economic stimulus.

You know, nobody will have a propensity to spend, in economic terms, as high as a city government that is stressed and needs to provide services. That is especially the case when we talk about homeland security. There are things in our society which are partly public and some that are largely private. Some are entirely private in terms of what we want done. Homeland security is pretty much a public sector activity. It does not make any sense to talk about how we are enhancing homeland security and then beat up government and boast about reducing government. Police officers, firefighters, ambulance drivers, public health workers, and public works people, who are going to have to repair damages, these are public sector people.

The point is this: One of the ways we can deal with the inability of the private sector to produce the level of jobs we had hoped it would produce, and again I want to note John Snow and Gregory Mankiw, leaders of this administration's economic policy, in effect both admitted that last year they predicted many, many more jobs than are being created in the private sector because they thought the old rules applied, and it is now clear the old rules do not apply. So, what do we do? Well, one of the things we can do is to recognize that the public sector can in fact take up some of that slack, that some of the wealth we create through our increased productivity, et cetera, can usefully be sent to cities and States, and to others as well.

We are now underfunding the Environmental Protection Administration. We have Superfund sites, the worst environmentally blighted sites in this country, that are going to go untended because there is not enough money in the Federal Government to take care of them.

The Bush administration finds itself being criticized by veterans through an inadequacy of the government. Secretary Principi, a man of great courage, acknowledged he got $1.8 billion less in the budget this year than he thought he needed. I do not believe the President dislikes veterans. I do not believe this administration set out to say, I have a good idea, in an election year let us really aggravate the veterans. They are driven to it because, thanks to their policies, there is not enough money to meet our basic needs.

If we were to take some part of the private sector wealth that is now going almost exclusively to the owners of capital and put it in the hands of government, Federal, State, and local, we would have more police officers, we would have more Environmental Protection Administration cleanups, we would have better public transportation and trains, we would have more medical care, we could deal with the terrible housing crisis that we have. And I know to the Republican leadership this might sound like a revolutionary bill, but we might even pass a highway bill. That seems to be beyond their means. Why? Because there is not enough money.

I just wrote an article for one of my papers, and I said I know you hear a lot of discussions in the abstract about the size of government, but let me make it concrete for you, and I mean literally concrete. I am not a big fan of metaphors. Under the proposed public works bill that the chairman of the Committee on Transportation and Infrastructure wanted, I would have gotten so much money for a major highway project important both to the public safety and the public convenience and the economic development of a major city in my district, the City of Taunton. Under the Bush plan we would get one-third less. Now, this is highway money that is, I am told by the business community, important to the economic future of the area.

This is a clear point here. We now have the acknowledgment of the Chairman of the Council on Economic Advisers and the Secretary of the Treasury and the President that the private sector cannot produce enough by way of jobs to meet our needs. Wages are eroding in part because as there is higher unemployment, the pressure on wages is higher. Medical care gets cut back to the extent that we rely on the private sector.

We will remain a private sector economy. We should welcome productivity. We are in a situation, just to sum up, in which the good becomes the bad. Greenspan tells us we are not going to get a reduction in unemployment unless you see a slowdown in productivity. What a topsy-turvy world in which people have to root for less productivity. That is the result of bad public policy. This is not a force of nature. It is not the case that good productivity ought to mean bad social policy. It is because we have a bad set of public arrangements.

One way to change that is to take some of the wealth which is being created by this wonderful thing, this increased productivity, this new technology and the ways of using it, and all this innovation, and let us use it for our own undisputed public purposes. Let us give cities and States more money so they can have more people

policing, fighting fires, cleaning up the environment, repairing facilities that need to be repaired, enhancing train transportation, building highways, helping construct affordable housing in places where that is a crisis, helping pay for higher education for students.

Chairman Greenspan said it is education, but we have a situation now where if you are not wealthy then you cannot pay for the kind of public education that maybe you ought to be getting. You have to sacrifice too much for it. Let us use some of this wealth.

And, again, the choice is this: We are talking about more wealth going to the wealthiest. And I know there are two aspects of the administration's justification for its tax bill, a supply side and a demand side. The demand side says we are in a recession, we need to spend our way out of it to some extent or we need to create a deficit so the Federal Government is spending more than it is taking in. Good Keynesian economics. Good for Keynes in the 1930s, good for Bush in the year 2003. That is what we did.

But that was only a small part of the tax relief. A very small percentage of the tax relief came in the form of that demand stimulus. The great bulk of the tax relief, some of which is yet to come, some of which has begun to happen, is a supply side tax cut. Supply side tax cuts do not try to increase money in people's hands to spend. They say if we will tax rich people less, they will do us the favor of working more. And that is what we have got. If we tell people when they die and they have $8 billion the people who inherited from them will not have to pay a penny of taxes on it, then they will accumulate more. That is their argument.

I do not think there is much to the supply side argument at all. It is certainly unproven. And certainly it is the case that trying to justify a very large chunk of supply side justified taxes by the success of a smaller amount of demand side taxes has a total disconnect there. I think if we were to take some of the revenue that is now set aside to persuade the rich, the very rich to work harder to the benefit of all of us, though we have not yet seen that benefit, if we were instead to make that available for undisputed, noncontroversial public purposes, public safety, environmental cleanup, highway construction, public health, if we were to do that, it is a situation of multiple benefit. The public purposes are accomplished and there are people employed.

We are talking now to some extent about the New Deal philosophy. But we are not talking about leaf raking. We are talking about very real needs. And, of course, it was not just leaf raking in the New Deal. A lot of very important things were built by the Works Progress Administration and even the Public Works Administration. But we are talking now about unmet needs in this society. In virtually every area where we come together: In education, where we underfund the No Child Left Behind Act; in the environment, where we are leaving Superfund sites untended; in veterans affairs, where the veterans legitimately complain about cutbacks; in highways, where the chairman of the committee is told, no, you cannot have the money you think we need for this; in housing, which comes within the jurisdiction of my committee, where not only are we not building any new affordable housing, we face a crisis where nearly a million units over the next 10 or 12 years will be lost to us if we do not reverse policies.

Using some of the money that now goes overwhelmingly to the owners of capital, only some of it, leaving them still very well off, and making that available to the government, to the public, is economically and socially better. So there is a case now for taking some of that wealth and for more government. Sensible government? Yes. There are indisputable cases where this country believes, understands that we need more public spending. We now have an ability.

And that takes me finally, Mr. Speaker, obviously, to the question of the tax cuts. This is the issue before us. Do you, as the President wants, make permanent all those tax cuts, which exacerbate inequality, which enhance the situation where the owners of capital get almost all the wealth, and which does not appear to be generating the kinds of jobs and other benefits we had hoped for; or do you take a part of it and make it available to the public sector so that undeniable public needs can be met and people can be better employed?

I would just say in closing to my conservative friends, who are currently and I hope temporarily in control, you have the ability to say no to all these things. You can keep wealth-enhancing tax cuts in place, you can continue to cut back on overtime, you can continue to undermine labor unions, you can continue to pursue a trade policy that gives leverage on people to bring down rather than up any kind of protections, and you may win these battles in the short run. But you are every day increasing public resistance to what you think is necessary for overall economic policies.

So if equity is not enough, self-interest ought to persuade those at the top of the private sector, and those who represent them politically, that the time has come to recognize that we have a changed economy and to adopt public policies and reverse the trends of making inequality worse and instead diminishing so that we get both more jobs and a healthier society and a more sustainable economic recovery.

Madam Speaker, I submit for the RECORD documents supporting and relating to my special order speech.

THE EVIDENCE ON JOB CREATION, WAGES, AND HEALTH INSURANCE

Non-farm payroll employment increased by 88,000 in October 2003, by 83,000 in November 2003, by 16,000 in December 2003, and by 112,000 in February 2004. (Source: Bureau of Labor Statistics.)

Real wages has grown by 0.4% since the end of the recession in November 2001. In the five previous recessions, real wages grew by 10.7%, 12.4%, 9.2%, 11.3%, and 3.6%, by the same point in the recovery (25 months). (Source: Economic Policy Institute based on Bureau of Economic Analysis data.)

Growth in median wages in 2002 was 1.8%, compared to inflation of 1.6%. In 2003, median wage growth was 2.0%, compared to inflation of 2.3%, resulting in a decline in real median wages of 0.3%. (Source: Economic Policy Institute based on Bureau of Labor Statistics data.)

Between 2000 and 2002, employer-provided health insurance declined by 2.8 million people. (Source: Urban Institute based on Current Population Survey.)

During the past five years, health insurance premiums have increased annually by 5.3%, 8.2%, 10.9%, 12.9%, and 13.9%. (Source: Urban Institute based on KFF/HRET Survey of Employer-sponsored Health Benefits.)

HOUSE COMMITTEE ON FINANCIAL SERVICES HOLDS A HEARING ON FEDERAL RESERVE'S SEMI-ANNUAL MONETARY POLICY REPORT, FEBRUARY 11, 2004

GREENSPAN. The pointed issue here is that we are ending up with an inadequate ability to move skills up sufficiently quickly and this, as you point out has created a problem of excess supply versus demand amongst our lower skills and the reverse in the top. And that is something we have to address.

And I happen to agree with Congressman Frank that it is very important in this country not only to have an equitable society, but to have it perceived as being equitable, because no democratic system can function unless the people believe it is equitable.

And I think that it is crucially important for us to reduce the income inequality in this county. And I think the way that one has to do that, by any means that I can see, is through education. And I must say to you, the community colleges in this country have been in the forefront of a major change in the quality of what we are doing with respect to re-establishing skills.

MALONEY. So given what you've said today in your testimony and given the fact that you have accommodated this with a very low federal funds rate, a historically low one, and is it safe to say that you disagree with the report that came out yesterday from the Bush administration's economic policy advisers that next year, we will create 2.6 million jobs? That's what this report says. That's what the report came out.

GREENSPAN. I haven't read the specific . . .

MALONEY. Well, it says we're going to create 2.6 million jobs.

GREENSPAN. Yes. I haven't read the specific details of their forecast. My impression is that they have a significant decline in the rate of productivity advance from where it has been recently. And if you get . . .

MALONEY. Do you agree or disagree?

OXLEY. The gentlelady's time has expired.

GREENSPAN. I haven't read it. I've said to one of your colleagues earlier, it's not—it is a credible forecast if the rate of productivity slows down to a more historical average.

TRANSCRIPT, GREGORY MANKIW, NATIONAL ECONOMIST CLUB, FEBRUARY 17, 2004

Question. Can you comment on the job forecast?

MANKIW. The economic report of the president is forecasting a strong labor market in 2004, as many private forecasters are. That particular forecast was made in early December, and we've seen more data since then.

[From the Times Online, Oct. 20, 2003]

SNOW BOASTS SPRING HAS SPRUNG FOR US ECONOMY

(By Anatole Kaletsky)

This July, when I first interviewed John Snow in London, the world economy was just beginning to emerge from the trauma of the Iraq war but the US Treasury Secretary was in ebullient form. The US economy, he insisted, was on the verge of a spectacular recovery from the three-year malaise that began with the collapse of technology stocks on Wall Street and was aggravated by the horror of September 11.

The American economy, he maintained, was ''coiled like a spring and ready to go''.

This remark was widely quoted in the media and greeted with skepticism, bordering on derision. Three months later, as I met Mr. Snow again in his Washington office, he was entitled to gloat.

''The spring has now sprung,'' he declared as our conversation started. ''I am confident that this economic recovery will now be sustained and will produce loads of new jobs. Everything we know about economics indicates that the sort of economic growth expected for next year, 3.8 to 4 per cent, will translate into two million new jobs from the third quarter of this year to the third quarter of next year. That's an average of about 200,000 new jobs a month.''

With a US election approaching, the figures he mentioned were significant in political as well as economic terms. Two million is the number of jobs the Bush Administration is accused of ''destroying'' since it took over the White House and the rule of thumb among US economists is that 200,000 new jobs a month are needed for the unemployment rate to show a sustained decline.

''What gives me confidence? Everything we know about economics and history.

''Consumption and housing remain strong. Now capital spending is clearly coming back and inventories are at astonishingly low levels. Jobs are always a lagging indicator which follows economic growth. I would stake my reputation on employment growth happening before Christmas. I'd bet dollars to doughnuts that we are going to see a pick-up in employment in 2004.''

But surely there is a serious qualification to this optimism? If economic growth does take off as suggested, then surely interest rates will start to rise?

Recent statistics on consumption and industrial production suggest that the US economy grew by 7 percent in the third quarter. In such an environment, the Federal Reserve might well consider raising interest rates. On Wall Street, however, the futures markets imply that interest rates will rise by no more than one quarter or half a per cent before the summer and several leading banks expect no tightening at all until 2005. Surely, markets may be in for a nasty surprise? Mr. Snow seemed totally unperturbed.

''Economic growth is a process of constant adjustments. If you've got productivity running at very high levels, you will get higher real wages and profits. Rates of return are up and as long as the expected return on capital is higher than the cost of capital, businesses will expand and the adjustment process kicks in.

''The price of capital is interest rates and there is going to be a need for a capital rationing process. Higher interest rates are an indicia of a strengthening economy. I'd be frustrated and concerned if there were not some upward movement in rates.''

But what about politics? Next year will see a fiercely contested presidential election. Wouldn't an increase in interest rates at such a time interfere with the political process?

Mr. Snow was completely dismissive of this argument. It may be an article of faith on Wall Street that the Fed tries to avoid raising interest rates before elections, but this is factually untrue. The idea that the Fed doesn't move in election years is just ''an amazing sort of mythology'', Mr. Snow insists. After our interview, I check the historical record and discover that he is right. The Fed has raised interest rates sharply in three out of the past five election years, most recently in 2000. Moreover, while Wall Street mythology contends that the Fed lost President Bush's father the 1992 election, the record shows the opposite. The Fed cut interest rates by 2 percentage points in 1992. In the 1988 polls, by contrast, interest rates were lifted from 6.5 to 8.5 per cent, yet that was the election won by the first President Bush.

Turning to questions on the dollar, Mr. Snow indicated that the US policy had been misunderstood by many commentators, though not by the markets themselves. The dollar has fallen sharply in the four weeks since a statement issued in Dubai by G7 ministers, which called for ''greater flexibility'' in exchange rates. Mr. Show had hailed this statement as ''a milestone'' and this comment was widely interpreted as a hint the US wanted to see the dollar decline. Mr. Snow insisted, however, that the real milestone he referred to was the commitment of all the G7 countries to pursue policies to stimulate domestically led growth.

The US had never intended to talk the dollar down. Although Mr. Snow did not express any views on individual exchange rates, another senior Treasury official noted that the comments in Dubai were directed solely at countries that attempted to manage or control their currencies, not at market-based exchange rates such as the dollar-euro rate.

The US was not trying to persuade China to float its exchange rate in the short term, but rather to make the financial changes needed for a market-driven currency to be set one day. Moving to a floating rate would be ''ill-advised'' before the financial reforms were in place. ''They are not going to get there overnight and we recognise that,'' he said. In Japan, too, Mr. Snow welcomed the economic reforms undertaken by Junichiro Koizumi, the Prime Minister. He refused to be drawn on whether he was satisfied with the strengthening of the yen since Dubai.

But another Treasury official noted that Japan had reduced the scale of its currency intervention and no longer seemed to be defending arbitrary exchange-rate levels, as it had been before Dubai.

UNIVERSAL HEALTH CARE

The SPEAKER pro tempore (Mrs. BLACKBURN). Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

Mr. MCDERMOTT. Madam Speaker, I want to reassure my colleague from Massachusetts that there is hope after all. The Bush administration has endorsed and even funded universal health insurance. The thing is, the President's universal health insurance program is for the people of Iraq, not anything for the 44 million Americans.

Madam Speaker, we already pay enough for universal health care in this country, but we are not getting it. The administration misleads the American people by having the Secretary of Health and Human Services say, and I quote, ''You are still taken care of in America. That certainly could be defined as universal coverage.'' The truth is that every other industrialized nation in the world has a universal health system except the United States. Half the bankruptcies in this country are due to health care costs.

The United States spent $1.6 trillion on health care in 2003. That is an average of $4,900 per person for the entire country. The average of the next 29 industrialized countries is less than half that amount, about $2,100 per person. Switzerland, at number two, spends $3,106. That is $1,800 less per year per person than the United States. Every one of these countries has universal health insurance except us.

We have 44 million uninsured and 40 million underinsured, and premiums are going up. At the same time, employers are shifting more of their health care costs on to their employees. Every strike has as the number one issue of contention their health care benefits. They just settled a grocery strike in California that has been going on for 6 months and it was all about that.

Seventy-two percent of the uninsured are in families where there is a full-time worker. Sixteen percent have two full-time workers. Only 62 percent of all employers even offer health insurance, and only 60 percent of employees can take advantage of it. How bad does it have to get before we begin to do what is necessary?

Not many years ago opponents and an army of lobbyists turned back the last great hope for real reform. We were told managed care in the marketplace would save the health care system. It never happened. All through the 1990s when the economy was hot, the number of Americans without health insurance went up. When the economy tanked under President Bush, the number of Americans without health care kept going down. How bad does it have to get?

A long time ago we made some decisions in this country: Police, fire protection, national defense, education, and highways would be issues of the common good. We would do them together. It is time for health care to be done as a common good. We have the power and ability to take care of everyone, from patient to physician to provider.

National health care does not mean government medicine.

□ 1430

It means a guaranteed revenue stream to give a stable set of benefits for everyone that cannot be taken away.

At the present time, government at all levels already finances 60 percent of all the health care spending in this country. That is over $2,600 per person. Remember, the international average is $2,100 per person so we are already spending enough. If we were tight-fisted, we could have that kind of a system.

The fact is that we simply do not have the political will to establish the common good. If our costs were in line with other industrialized nations who have a national health care system, government spending in this country alone would cover our costs. I can hear the chorus already. Do not let anyone tell you that health care in England or Germany or Sweden or Norway or France or Japan is not as good as ours. Ours is good if you are lucky with the right piece of plastic in your pocket when you get sick. But if you do not have insurance, it is a real crapshoot. It is a real roll of the dice.

Americans deserve universal health care, just like everybody else from the industrialized nations, all of the way to Iraq. Yes, most people would actually save money, according to the Congressional Budget Office, because if we tightened up the system and got rid of the millions of forms, the hundred billion dollars' worth of paper that we put in every year, we would have a cheaper system than we presently do with guaranteed benefits and guaranteed revenue.

The President has said, ''These problems will not be solved with a nationalized health care system that dictates coverage and rations care.'' He said it right here in the well. Every health insurer in the United States dictates coverage. That is how they do business, and America is rationing care. The time has come to change that. We will talk more about that later.

We need a solution.

I have introduced H.R. 1200, the American Health Security Act. I also support other plans to reform our health care system.

Reform will not change how health care is delivered, only how it's paid for.

Health care providers will continue to do business as they already do, competing with one another, striving to be the best.

Under my plan people can choose their doctor and hospital, an incentive for innovation and a reward for excellence.

For health care providers, national health insurance means a guaranteed revenue stream.

For Americans, national health insurance means coverage for everyone.

America was founded on the premise of working together for the common good. Our society recognizes this responsibility every time a fire truck responds to a fire or a police car responds to a call for help.

Today, there is an urgent call for help from voices across America.

We have it in our power to respond. Come on Mr. President. We are already paying for universal health care. Let us make sure Americans get it.

WAR ON TERRORISM

The SPEAKER pro tempore (Mr. GINGREY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, today I want to spend a little bit of time talking about the war on terrorism, and I believe it is a war, tracing the history of the previous administrations and the Bush administration in recognizing the threat that al Qaeda, Iraq, and others pose to the United States as evidenced most dramatically on the events of September 11, 2001.

Back in February 1998, then-President Clinton talked about the threat of Iraq: ''They have harassed the inspectors, lied to them, disabled monitoring cameras, literally spirited evidence out of the back doors.''

Another quote: ''They,'' predators of the 21st century, ''will be all the more lethal if we allow them to build arsenals of nuclear, chemical and biological weapons, and the missiles to deliver them. We simply cannot allow that to happen. There should be no doubt, Saddam's ability to produce and deliver weapons of mass destruction poses a grave threat to the peace of that region and the security of the world. There is no more clear example of this threat than Saddam Hussein's Iraq. His regime threatens the safety of the people, the stability of his region, and the security of all the rest of us. In the next century, the community of nations may see more and more of the very kind of threat Iraq poses, a rogue state with weapons of mass destruction, ready to use them, to provide them to terrorists who travel the world. If we fail to respond today, Saddam Hussein will be emboldened tomorrow by the knowledge that they can act with impunity.''

Another quote from President Clinton in 1998: ''I have no doubt he would use them again if permitted to develop them.''

So back in 1998, President Clinton was highlighting the threat as he saw it, in this case talking about Iraq specifically, but also laying out the possibility of what might happen in the future. Again the quote: ''A rogue state with weapons of mass destruction, ready to use them or provide them to terrorists.''

On September 11, 2001, we found out in the United States about the willingness of terrorist organizations to use airplanes as a weapon of mass destruction and to inflict death and destruction to an extent we had never seen before.

Another quote, and this is from President Clinton, I believe: ''Some day, some way, I guarantee you he will use the arsenal; and I think everyone of you who has worked on this for any length of time believes that, too.'' Again, not President Bush in 2001, 2002 or 2003, but a consistent message beginning in the late 1990s from President Clinton and his administration outlining the threat of Iraq; and, more importantly, the threat of a linkage of the capabilities that Iraq might have and their willingness to give those capabilities and share them with terrorist organizations.

Again, the same speech: ''Saddam Hussein's Iraq reminds us of what we learned in the 20th century and warns us what we must know about the 21st century. In this century, we learned through harsh experience that the only answer to aggression and illegal behavior is firmness, determination and, when necessary, action. In the next century, the community of nations may see more and more the very kind of threat Iraq poses now, a rogue state with weapons of mass destruction ready to use them or provide them to terrorists, drug traffickers or organized criminals who travel the world among us unnoticed.''

Through the window of 9/11, we can see how prophetic President Clinton was in 1998. Let me read that again: ''In this century, we learned through harsh experience that the only answer to aggression and illegal behavior is firmness, determination and, when necessary, action. In the next century, the community of nations may see more and more the very kind of threat Iraq poses now,'' or paraphrasing, that I believe terrorist organizations will pose in the 21st century.

December 17, 1998, President Clinton said: ''I am convinced that the decision I made to order this military action, though difficult, was absolutely the right thing to do. It is in our interest and in the interest of the people around the world. Saddam Hussein has used weapons of mass destruction and ballistic missiles before. I have no doubt he would use them again if permitted to develop them.''

So back in the 1990s, the late 1990s, President Clinton was highlighting the threat of Iraq and also outlining the threats of terrorist organizations in the 21st century.

Another quote, and this is from the White House, a White House briefing. It is a speech by Senator Al Gore. This is way back in 1992. So even in the early 1990s, key officials in what would become the Clinton administration had identified the challenges that we would face as a Nation in the 21st century. Here is what Senator Al Gore said: ''He had already launched poison gas attacks repeatedly,'' and this is what he says about the President at that time, ''and Bush looked the other way. He had already conducted extensive terrorist activities, and Bush looked the other way. He was already deeply involved in the effort to acquire nuclear weapons and other weapons of mass destruction, and Bush knew it, but he looked the other way.''

Then Senator Al Gore in 1992 said: ''Well, in my view, the Bush administration was acting in a manner directly opposite to what you would expect. With all of the evidence that it had available to it at the time, Saddam Hussein's nature and intentions were perfectly visible.''

In other remarks made by Vice President Al Gore, May 23, 2000, talking about the threat of Saddam Hussein: ''Despite our swift victory in every sense, there is no doubt in my mind that Saddam Hussein still seeks to amass weapons of mass destruction.

You know as well as I do that as long as Saddam Hussein stays in power, there can be no comprehensive peace for the people of Israel or the people of the Middle East. We have made it clear,'' and this is Vice President Al Gore on May 23, 2000, ''we have made it clear that it is our policy to see Saddam Hussein gone.'' In parentheses, applause. ''We have sought coalitions of opponents to challenge his power. I have met with the Iraqi opposition, and invite them to meet with me again next month when I will encourage them to further unite in their efforts against Saddam.''

The threat to peace in the civilized world was well identified through the Clinton administration through the 1990s.

Here is another article talking about folks and their views of Saddam Hussein dated November 1997: ''The stakes are very real, and they are enormous,'' said Richard Haass, Middle East expert on the National Security Council during the Bush administration. ''This is someone who has used weapons of mass destruction twice against his own people and against Iran. He does not have qualms. Based on U.N. inspection reports and Western intelligence assessments, Washington's allies are convinced that Saddam Hussein possesses the resources and technical skill to begin cranking out menacing new supplies of exotic weaponry and delivery systems with even a brief absence of foreign watch dogs.''

That is the same thing that David Kay said when he came back, saying at this point in time the Iraqi survey group may not have found stockpiled weapons of mass destruction, and David Kay believes that maybe they did not exist after meeting with the new folks over there. He said we may or may not find the stockpiles, but the key thing here, and this is what David Kay said, which was reported already in 1997: ''Washington and its allies are convinced that Hussein possesses the resources and technical skill to begin cranking out menacing new supplies of exotic weaponry and delivery systems with even a brief absence of foreign watch dogs.''

So the real question was after the war and after we went in and took a look at what they had, what did David Kay find? He found exactly what was identified in 1997, that if the stockpiles are not there, what Saddam Hussein has done is he has developed the capability, the weaponry, to crank out menacing new supplies during a brief absence of foreign watch dogs. The intent was clear. Saddam Hussein used weapons of mass destruction at one time, may have had stockpiles, but clearly was building the technical infrastructure to be able to produce significant quantities of weapons of mass destruction in a relatively short period of time once the inspectors were gone and once sanctions were lifted.

□ 1445

September 9, 1998, Madeleine Albright:

''In this struggle our adversaries are likely to avoid traditional battlefield situations because there American dominance is well established. We must be concerned instead by weapons of mass destruction and by the cowardly instruments of sabotage and hidden bombs. These unconventional threats endanger not only our Armed Forces but all Americans and America's friends everywhere. We must understand that this confrontation is long-term. It doesn't lend itself to a quick victory.''

For those of us who believe that September 11 was the culmination of our war with al Qaeda and with terrorist organizations, listen to Madeleine Albright, 1998, who recognized that this war was already going on in the 1990s because of the length and the number of attacks that had taken place during the 1990s. Remember, early in the 1990s was the first time that the World Trade Center was hit, and she recognized in her quote: ''We must understand that this confrontation is long-term. It doesn't lend itself to quick victory.''

She goes on to say: ''Force for peace, freedom, progress and law in the world. But no threat, no bomb, no terrorist can diminish America's determination to lead.''

She then also goes on: ''A second major threat to America's security also has entered a new phase and that is weapons of mass destruction and the systems that deliver them. For decades, we viewed this threat primarily through a narrow Cold War lens and now our concerns have broadened. We are deeply concerned by regional tensions in South Asia where both India and Pakistan have conducted nuclear tests.''

Going on: ''Chemical or biological warheads and they are devilishly difficult to shoot down.''

So the threat of weapons of mass destruction was well understood during the Clinton administration by President Clinton, by Vice President Gore, by Senator Gore in 1992, by Secretary of State Madeleine Albright when we used force against Saddam in December of 1998. Secretary of State Madeleine Albright:

''This is a moment of grave determination. We have decided to use force because other means simply have not worked. Saddam's capacity to develop and brandish such armaments poses a threat to international security and peace that cannot be ignored. Month after month we have given Iraq chance after chance to move from confrontation to cooperation and we have explored and exhausted every diplomatic action. We will see now whether force can persuade Iraq's misguided leaders to reverse course and to accept at long last the need to abide by the rule of law and the will of the world.''

October 16, 1998, National Security Adviser Samuel Berger, an op-ed piece in the Washington Times:

''Indeed we have information that Iraq has assisted in the chemical weapons activity in Sudan. We had information linking bin Laden to the Sudanese regime and the Al Shifa plant.

''One senior administration official, who asked not to be quoted by name, said the administration had compelling evidence tying Al Shifa to the Sudanese military and to Iraq's chemical weapons program, none of which have ties to bin Laden.''

So there were questions about whether bin Laden was involved or not with the Al Shifa plant, but there was no question here back in 1998 by a number of folks within the Clinton administration that Iraq was involved with chemical weapons activity in Sudan.

A dangerous world. Why do I talk about the events of the 1990s up until 2000, the Clinton administration? It is because for a long time leaders in this country have been identifying Iraq and terrorism as the new threat to the security of America and Americans and the free world.

An interesting quote, Secretary Albright, Time Magazine, November 23, 1998:

''Up to now, we've had diplomacy backed by force. Now we need to shift to force backed up by diplomacy.'' In that same article, she is quoted as saying: ''We'll be prepared to act alone if we have to.''

Secretary of State Madeleine Albright:

''Month after month we have given Iraq chance after chance to move from confrontation to cooperation. We have explored and exhausted every diplomatic action. We will see now whether force can persuade Iraq's misguided leaders to reverse course and to accept at long last the need to abide by the rule of law and the will of the world.''

President Clinton in the State of the Union speech on January 20, 1999:

''For nearly a decade, Iraq has defied its obligation to destroy its weapons of terror and the missiles to deliver them. America will continue to contain Saddam, and we will work for the day when Iraq has a government worthy of its people.'' Remember that by that time, the policy of regime change for Iraq had already become the accepted policy of the United States and the accepted policy of the Clinton administration.

Why do we talk about it now? Because the threat in 2004 is still very, very real. But let us go back and document that what happened on 9/11 was not an isolated event. It was the most significant event of a series of attacks on U.S. interests.

In 1993 was when the World Trade Center was bombed for the first time. 1996 was when the U.S. military barracks were bombed in Saudi Arabia. In 2000 there was the attack on the USS *Cole*. Of course we also had the attacks on our embassies in Africa during the late 1990s. In 1995, two unidentified gunmen killed two U.S. diplomats and wounded a third in Karachi, Pakistan.

In 1997 a Palestinian sniper opened fire on tourists atop the Empire State Building. A bomb exploded across the street from the U.S. embassy in Manila, injuring nine people. The list goes on. What had happened during much of the 1990s, there was compelling evidence that there were individuals who had declared war on the United States, but we never recognized the threat in terms of the actions that we took.

I am sure that that will be a debate much like there is a debate as to whether going to war in Iraq was the appropriate activity. There should also be, and there will be, a debate as to whether doing very little during the 1990s was the appropriate action. But what we do have in the 1990s is a clear record of factual events that America was a target. We have the clear statements from a President, a Vice President, a National Security Adviser, a Secretary of State that identified the changing shifts and the challenges to the security of the United States, moving out of the Cold War mentality of the period from 1945 to the early 1990s to a new threat of rogue states, but also rogue organizations that were not tied to a single country but that were loose gatherings of individuals, scattered throughout parts of the world that in many cases were willing to operate on their own. They are still out there, and in many ways we have damaged their capabilities to effectively attack us; but they are still out there organizing, recruiting, raising funds and training with the hope and expectation that they will hit us and that they will hit others again in the future. Is that a new threat? Here is what we said about Iraq in 1999:

''Iraq continued to plan and sponsor international terrorism in 1999. Although Baghdad focused primarily on the anti-regime opposition both at home and abroad, it continued to provide safe haven and support to various terrorist organizations.''

Going on, the ''Global Terrorism Overview of State-Sponsored Terrorism'' says:

''Iraq continued to provide safe haven to a variety of Palestinian rejectionist groups, including the Abu Nidal organization, the Arab Liberation Front, and the former head of the now defunct 15 May Organization, Abu Ibrahim, who masterminded several bombings of U.S. aircraft. Iraq provided bases, weapons and protections to the MEK, an Iranian terrorist group that opposes the current Iranian regime.''

The ''Pattern of Global Terrorism'' report in 2001 said about Iraq:

''In addition, the regime continued to provide training and political encouragement to numerous terrorist groups, although its main focus was again on dissident Iraqi activity overseas. Iraq provided bases to several terrorist groups including the Mujahedin-e-Khalq (MEK), the Kurdistan Workers' Party, the Palestine Liberation Front, and the Abu Nidal organization. In 2001, the Popular Front for the Liberation of Palestine raised its profile in the West Bank and Gaza Strip by carrying out successful terrorist attacks against Israeli targets. In recognition of the PFLP's growing role, an Iraqi vice president met with former PFLP Secretary General Habbash in Baghdad in January 2001 and expressed continued Iraq support for the intifada. Also in mid-September a senior delegation from the PFLP met with an Iraqi deputy prime minister. Baghdad also continued to host other Palestinian rejectionist groups including the Arab Liberation Front and the 15 May Organization.'' Iraq continued to support terrorism organizations.

2002, the ''Patterns of Global Terrorism'':

''Iraq planned and sponsored international terrorism in 2002. Throughout the year, the Iraqi Intelligence Services laid the groundwork for possible attacks against civilian and military targets in the United States and other Western countries. The Iraqi Intelligence Services reportedly instructed its agents in early 2001 that their main mission was to obtain information about the U.S. and Israeli targets. The IIS, Iraqi Intelligence Services, also threatened dissidents in the Near East and Europe and stole records and computer files detailing anti-regime activity. In December 2002, the press claimed Iraqi intelligence killed Walid al-Mayahi, a Shia Iraqi refugee in Lebanon and member of the Iraqi National Congress. Iraq was a safe haven, transit point, and operational base for groups and individuals who direct violence against the United States, Israel and other countries. Baghdad overtly assisted two categories of Iraqi-based terrorist organizations, Iranian dissidents devoted to toppling the Iranian government and a variety of Palestinian groups opposed to peace with Israel.''

It goes on to list the groups that I have talked about before. Again, provided material assistance to the Palestinian terrorist groups that are in the forefront of the intifada.

''Saddam paid the families of Palestinian suicide bombers to encourage Palestinian terrorism, channeling $25,000 since March through the ALF alone to families of suicide bombers in Gaza and the West Bank. Public testimonials by Palestinian civilians and officials and canceled checks captured by Israel in the West Bank verify the transfer of a considerable amount of Iraqi money.''

The threat is real. Back a few weeks ago, I had the opportunity to be at a meeting where the Under Secretary of Defense for Intelligence, Steve Cambone, spoke. I think he wrapped it up quite well, because I think if you go through this and later on when you take a look at what the Director of the CIA said, Mr. Tenet, who served in both the Clinton and the current Bush administrations, you go through and you take a look at everything or much of what was said during the 1990s by a number of officials within the Clinton administration, what was said by the Bush administration, what was said earlier on in the 1990s by Senator Al Gore, outlining the threat to the United States. And then imagine taking a look at that threat through the window of 9/11. Here is what Mr. Cambone said:

''We are a nation at war. We do not know how long it will last, but it is unlikely to be short. We cannot know where or against whom all of its battles will be fought. There are multiple fronts in this war. There is no single theater of operation.

□ 1500

''We do know that we are all at risk, at home and abroad, civilians and military alike. We do know that battles and campaigns will be both conventional and unconventional in their conduct. Some of those battles and campaigns will be fought in the open, and others will be fought in secret, where our victories will be known to only a few.''

Think back on the last few years and the attacks that we have been the victims of. We do know, as Dr. Cambone says again, that we are all at risk, at home and abroad. On 9/11, the attack on the World Trade Center, the Pentagon, the crash in the field in Pennsylvania, civilians were victims, civilians here in our homeland. But our embassies have been attacked in Africa. Our military folks have been attacked aboard the USS *Cole*. Our barracks have been attacked in Saudi Arabia and the World Trade Center was attacked in 1993. Dr. Cambone identified, ''We do know that we are all at risk, at home and abroad, civilians and military alike,'' and we know now with the ongoing activities in Iraq that over 500 young men and women have lost their lives in Iraq. There have been countless numbers of our folks who have been wounded, many of them rather severely. I had the opportunity to meet with one of the families this week of someone who was badly injured in Iraq, and it was their prayer and their request that we, as Americans, not forget about those who have been injured in Iraq, that with these improvised explosive devices that are targeting our military vehicles or that suicide bombers with very deadly bombs, that there are other American families who are hurting. They are the ones whose loved ones are in a hospital in Iraq, in Germany or here in Washington, D.C. at Walter Reed Hospital. So let us not forget our military individuals who have been injured in and their families.

Dr. Cambone goes on to say ''We are facing a turbulent and volatile world populated by a number of highly adaptive state and nonstate actors. Some of these are weighing whether, to what extent, or how, they might oppose the interests of the United States and its friends. Others, such as the terrorist organizations responsible for attacks on the United States, Turkey, Indonesia, Morocco, Saudi Arabia, Israel,

Kenya, the Philippines, Afghanistan, Pakistan, Iraq, and other places have committed themselves to war.''

I think that is what we have to recognize. This is what Dr. Cambone says. These individuals have committed themselves to war with the United States. Whether we want to be engaged in this war or not is no longer our decision. They have committed themselves and declared war on the United States. We now need to respond to protect and provide for the security of the United States.

''. . . It is impossible to predict with confidence what nation or entity will pose a threat, in 5, 10, or 20 years, to the United States or to our friends and allies.''

Dr. Cambone goes on to say: ''But not everything that unfolds in the coming years should be a surprise.''

If we take a look at history the last 12, 13 years, what can we expect? He goes on: ''We can expect that an adversary will continuously search for effective means to attack our people; our economy, military, and political power; and the people in power of our friends and allies.

''We can also expect that an adversary will have access to a range of modern technologies and will be prepared to use them to magnify the destructiveness of their attacks, using truck bombs and improvised explosives, cyber intrusions to attack the computer systems upon which we rely, radio transmitters to jam our space assets, small laboratories to develop new biological and genetically altered agents, and chemical and nuclear technology and materials delivered by missile, plane, boat, or backpack to poison our environment and destroy human lives.

''In this era of surprise, lack of preparation is a harbinger of catastrophe. Being prepared, by which I mean taking measures to avoid surprise, if possible to mitigate its effect when it occurs, and to bring appropriate force to bear to defeat those who would surprise us, is essential.''

This is a very complicated and a very difficult environment in which we work today. We need to convince ourselves that there is a real threat to the United States. We need to educate ourselves as to what the threat looks like. It is very difficult to predict exactly what it is going to look like, and then to have the dialogue and the discussion as to how we respond. I think part of the problem that we have in 2004 is that the debate and the discussion that could have taken place 4 or 5 years ago never took place. Even though there was mounting evidence and even though the Clinton administration in many ways was trying to raise the profile of this issue, we did not have the national debate about how we respond to an emerging threat to the United States. We had that discussion and that debate and we understood the threat of the Cold War. I am not sure how long it took America and our allies to come together to recognize the threat and to respond to the threat, but we did. America responded after World War II immediately recognizing the threat, helping to rebuild a free Europe, a democratic Europe, being the focal point for creating NATO to stand as the barrier to expansion of the former Soviet Union, and we did it incredibly well, and in many ways, as we describe the effort against the former Soviet Union, it kind of matches the threat that we face today. We knew there was a threat. We did not know exactly how it would manifest itself. We did not know exactly if there would ever be an attack against the United States. But we figured it would be a long and difficult struggle. There were no easy answers but that we would come together and that we would be engaged in what we called the Cold War. And the Cold War lasted 45 years. And then finally the wall came down and we were able to declare victory. But as that wall was coming down, another threat began to emerge, and that was the threat of terrorist organizations. So after 1945, it probably took us a period of time to identify the threat, to have the discussion and the dialogue within the country as to how we should respond to the threat, but once we identified the threat, once we had the national dialogue about the threat, there was a lot of consensus about how we should respond, and the response was one of we are going to be forceful and we are going to be in a position to defend ourselves and we are going to stand strong. And after 45 years we were able to defeat and win the Cold War. There are lessons that we can learn from that but we need to now go through the process.

Hopefully Americans, as they take a look at the events of the 1990s, as they then take a look at what happened on 9/11, and as they take a look at what is going on in Iraq and what we have found in Iraq, they will begin to understand the nature of the threat to the United States. A very uncomfortable threat. With the former Soviet Union and the Cold War, we could identify the buildings, we could identify the people, we could identify the borders and the boundaries most of the time. But here we do not know the players. We do not know their strength. We do not know where they are. But we do know a few things. We do know that they are very willing to use unconventional weapons in unconventional ways, that they will attack civilians and military personnel. They will attack our friends, they will attack us in places around the world in very deadly ways. We know that they come back and revisit their same targets on a regular basis until they are successful. So we know quite a bit about them.

Here is what Director Tenet of the CIA said, who is very familiar with this because he is the one person who was carried through as the Director of the Central Intelligence Agency from the Clinton administration through the Bush administration, recognizing that the Clinton administration saw terrorism and Iraq as a threat and carried that message and that understanding into the Bush administration. What does he say in a speech that he gave on February 24? I would encourage my colleagues to read the speech in detail because it gives a lot of framework and context to the challenges that we face in 2004. As a matter of fact, it is entitled The Worldwide Threat 2004: Challenges in a Changing Global Context. What does he say about terrorism? ''I'll begin today on terrorism, with a stark bottom line: The al Qaeda leadership structure we charted after September 11 is seriously damaged, but the group remains as committed as ever to attacking the U.S. homeland. But as we continue the battle against al Qaeda, we must overcome a movement, a global movement infected by al Qaeda's radical agenda. In this battle we are moving forward in our knowledge of the enemy, his plans, capabilities, and intentions. And what we've learned continues to validate my deepest concern: that this enemy remains intent on obtaining, and using, catastrophic weapons.''

Going on: ''Military and intelligence operations by the United States and its allies overseas have degraded the group. Local al Qaeda cells are forced to make their own decisions because of disarray in the central leadership.''

''We are creating large and growing gaps in the al Qaeda hierarchy.

''And we are receiving a broad array of help from our coalition partners, who have been central to our effort against al Qaeda.''

In a little while, I am going to talk about the changes in Libya. But the amazing thing is that more and more countries are coming to the realization that we are involved in a war on terrorism and that they are involved in a war on terrorism and that in many cases the terrorists do not distinguish between America or America and its friends.

Whom are we getting help from?

''Since the May 12 bombings, the Saudi government has shown an important commitment to fighting al Qaeda in the Kingdom, and Saudi officers have paid with their lives. Elsewhere in the Arab world we're receiving valuable cooperation from Jordan, Morocco, Egypt, Algeria, the UAE, Oman, and many others. President Musharraf of Pakistan remains a courageous and indispensable ally who has become the target of assassins for the help he's given us.''

It is always interesting to hear people say we do not have any friends in this. We have got lots of friends in this whose countries are paying with the lives of their citizens and their security personnel.

□ 1515

Partners in Southeast Asia have been instrumental in the roundup of key regional associates of al Qaeda. Our European partners worked closely together to unravel and disrupt a continent-wide network of terrorists planning chemical, biological, and conventional attacks in Europe. So we have made notable strides. But do not misunderstand me, again quoting Director Tenet. Do not misunderstand me. I am not suggesting al Qaeda is defeated. It is not. We are still at war. This is a learning organization that remains committed to attacking the United States, its friends and allies.

Successive blows to al Qaeda's central leadership have transformed the organization into a loose collection of regional networks that operate more autonomously. These regional components have demonstrated their operational prowess in the past years. The sites of their attacks span the entire reach of al Qaeda: Morocco, Kenya, Turkey, Jordan, Saudi Arabia, Kuwait, Afghanistan, Pakistan and Indonesia. And al Qaeda seeks to influence the regional networks with operational training consultations and money. Khalid Sheik Mohamad sent Hambali $50,000 for operations in Southeast Asia. You should not take the fact that these attacks occurred abroad to mean that the threat to the United States homeland has waned. As al Qaeda and its associated groups undertook these attacks overseas, detainees consistently talk about the importance the group still attaches to striking the main enemy, the United States.

Across the operational spectrum, air, maritime, special weapons, we have time and again uncovered plots that are chilling. On aircraft plots alone, we have uncovered new plans to recruit pilots and to evade new security measures in Southeast Asia, the Middle East, and Europe. Even catastrophic attacks on the scale of 11 September remain within al Qaeda's reach. Make no mistake, these plots are hatched abroad; but they target U.S. soil or that of our allies.

Remember, I am quoting from a speech that is available to all my colleagues on the Central Intelligence Agency Web page, and I encourage them to read this.

So far I have been talking only about al Qaeda, but al Qaeda is not the limit of terrorist threats worldwide. Al Qaeda has infected others with its ideology, which depicts the United States as Islam's greatest foe. The steady growth of Osama bin Laden's anti-U.S. sentiment through the wider Sunni extremist movement and the broad dissemination of al Qaeda's destructive expertise ensure that a serious threat will remain for the foreseeable future, with or without al Qaeda in the picture. If we take care of al Qaeda and capture bin Laden, it is not over. There is still a tremendous amount of work to do.

A decade ago, bin Laden had a vision of rousing Islamic terrorists worldwide to attack the United States. He created al Qaeda to indoctrinate a worldwide movement and global jihad with America as the enemy, an enemy to be attacked with every means at hand. In the minds of bin Laden and his cohorts, September 11 was the shining moment, their shot heard round the world; and they want to capitalize on it. That was not the culmination; that was the kickoff of their campaign. And so even as al Qaeda reels from our blows, other extremist groups within the movement, it influences to become the next wave of the terrorist threat.

Let me just kind of summarize the terrorism and the threat that we face, quoting Mr. Tenet from his speech: ''For the growing number of jihadists interested in attacking the United States, a spectacular attack on the U.S. homeland is the brass ring that many strive for, with or without the encouragement by al Qaeda's central leadership.'' A spectacular attack on the U.S. homeland is the brass ring that many strive for, with or without encouragement by al Qaeda's central leadership.

I want to talk a little bit about the rebuilding efforts that are going on in Iraq and Afghanistan. It was a couple of weeks ago that I and some of my colleagues had the opportunity to visit Iraq and to take a look at exactly what was happening. There is tremendous progress being made in Iraq, there is tremendous progress being made in Afghanistan, but I think we have to put this in the context of how much work actually has to happen.

Saddam Hussein ruled Iraq for over 30 years. There was no rule of law. There were no effective police agencies. There were no judicial processes in place. It was a mess.

If we go back and take a look at the rebuilding process, as Americans we should not underestimate the amount of work that needs to take place. In Iraq, Saddam Hussein ruled this country ruthlessly for 30 years, killing, executing somewhere in the neighborhood of 300,000 to 500,000 of his own people, brutally attacking the Shiites after the 1991 Gulf War, attacking the Kurds in the north of Iraq, breaking down the rule of law, breaking down a civil society, no police, no law enforcement, no judiciary, no transparent government, you know, totally destroying what we would call a civil society.

That is the same thing we see in Afghanistan after 12 years of rule by the Taliban or the Russians. Again, the rule of law is gone, no police, no effective security forces, no framework, and no rules by which society can live together in a civil way.

We are now trying to help the Iraqis and the people in Afghanistan to build a civil society, with a tremendous amount of focus on developing policing organizations, a law enforcement process, a judicial process, a constitution that will enable the folks in Iraq and Afghanistan to create a civil society. In both countries we are also working on trying to help them rebuild infrastructure, roads, hospitals, schools, other health care facilities, make sure that they have got water and food, the basic necessities of life.

It is going take tremendous amounts of time and energy for the people in these countries to identify the rules by which they want to live together, to then structure the security and the police and the law enforcement and the judicial branch to make it happen, to establish institutions of government that are transparent so that the people who are served by these government institutions actually recognize and believe that these government institutions are working for them, rather than being an organization that they should fear, that might imprison them.

They are experimenting with the opportunity of free speech, and in both countries they are beginning the process of constitutional and representative government by which they will have elections and have the individuals that they elect begin to govern them.

So it is a very, very difficult process that, at the same time, is being hindered by the continuing violence in both Iraq and Afghanistan. So as we try to help them rebuild a civil society, there is tremendous challenge that they face because of the violence.

There is a letter that we got the other day that was picked up in Iraq that outlined the strategy. Here is one of the terrorists talking about their strategy:

''After study and examination, we can narrow our enemy down to four groups. The Americans. These, as you know, are the most cowardly of God's creatures. They are an easy quarry, praise be to God. We ask God to enable us to kill them and capture them to sow panic among those behind them and to trade them for our detained Shiites and brothers.

''The Kurds. These are a lump in the throat and a thorn, whose time to be clipped is yet to come. They are last on the list, even though we are making efforts to harm some of their symbolic figures, God willing.

''Soldiers, police and agents. These are the eyes, ears and hands of the occupier through which he sees, hears and delivers violent blows. God willing, we are determined to target them strong in the coming period before the situation is consolidated and they control.''

I will get on to the fourth in a minute. When we were in Iraq, we had the opportunity to go visit the police academy, 500, 600 young people who were committed to helping rebuild Iraq and rebuilding a civil society. They know that when they come out of their 4 to 6 weeks of training and they go on the streets of Baghdad, Basra and the other cities in Iraq, they walk out on their streets with a target on their back, because the last thing the terrorists want to see, of those opposed to us in Iraq, the last thing that they want to see is an effective law enforcement

and security apparatus in Iraq, because they know that that is the beginning of the end.

We went there, we laid a wreath in recognition of the over 100 police cadets, policemen and women and potential recruits who were killed in the 8 to 10 days before we came there through suicide bombings. We then had the opportunity to shake hands and to meet many of these recruits. Their enthusiasm for their work, their enthusiasm for building a new Iraq, their enthusiasm that Saddam Hussein was gone and that they had their country back was very, very clear. They knew that it was the Americans that had given them their country back; and they were very, very appreciative and thankful. They knew that the future of Iraq was in their hands, and not in the hands of the Americans or the coalition forces, but that what we provided them was the framework to take back their country and to move in the future.

You could see it in their eyes when you looked at them, you could feel it in the vigor and the strength of their handshake, you could hear it in their voices; and as you left, they took their hand and put it on their heart and moved it away to express the deepness and the sincerity in the comments that they were making to us.

The Shia, how do our terrorists feel about the Shia? These, in our opinion, are the key to change. I mean, the key to change? What kind of change are they looking for? I mean that targeting and hitting them in their religious, political and military depth will provoke them to show the Sunnis their rabies and bear the teeth of the hidden rancor hidden in their breast. If we succeed in dragging them into the arena of sectarian war, it will become possible to awaken the inattentive Sunnis as they feel imminent danger and annihilating death at the hands of these Sabians. Despite their weakness and fragmentation, the Sunnis are the sharpest blades, the most determined and most loyal when they meet those Batinies, who are a people of treachery and cowardice. They are arrogant only with the weak and attack only the broken wing. Most of the Sunnis are aware of the danger of these people, watch their sides and fear the consequences of empowering them. Were it not for the enfeebled Sufi sheiks and the Muslim brothers, people would have told a different tale.

It is very clear what the folks who are opposed to us are going to do. They are going to kill the police and they are going to fight and drive sectarian violence.

I want to talk just briefly about Libya, because some have said showing strength is a problem. Take a look at what has happened with the Libyans. I was there a couple of weeks ago as well. At the end of the December visit, the Libyans admitted having a nuclear weapons program and having bought uranium feed material for gas centrifuge enrichment, admitted having nuclear weapons design documents, acknowledged having made about 25 tons of sulfur mustard chemical weapons agents, aerial bombs for the mustard and small amounts of nerve agent, provided access to their deployed Skud-B forces and revealed the details of indigenous missile design work and of cooperation with North Korea on the 800 kilometer range Scuds-CSs.

□ 1530

What a change in Libya. The headlines in today's paper. ''Ghadafi Vows No More Terror.'' He seeks a new era with the United States, seeks better relationships with the United States.

One of our colleagues who was there this weekend is quoted as saying, ''The incredible thing about being here is to hear a former antagonist of our country say, 'What in the world was I thinking when I took on a superpower,' says SILVESTRE REYES, Texas, Democrat. 'I thought it was an incredible, historic moment. This could potentially redefine our relationships with Africa and potential with the most conflicted part of the world, which is the Middle East. If I had not been here and had Chairman WELDON or Congressman ORTIZ tell me about it, I would not have believed it,' he said.''

So what a dramatic change we are seeing, I think, in many reasons because we have displayed strength and the determination in dealing with the types of threats that President Clinton and his administration identified throughout the 1990s, that President Bush and his administration identified during their administration, and because of the strong action we are seeing a change in behavior in Libya, with a possibility and hope for progress in Iran and North Korea.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR H.R. 3717, BROADCAST DECENCY ENFORCEMENT ACT OF 2004

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

Mr. DREIER. (during the Special Order of Mr. HOEKSTRA) Madam Speaker, the Committee on Rules may meet the week of March 8 to grant a rule which could limit the amendment process for floor consideration of H.R. 3717, the Broadcast Decency Enforcement Act of 2004. The Committee on Energy and Commerce ordered the bill reported yesterday, March 3, 2004, and is expected to file its report in the House on Tuesday, March 9, 2004.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Committee on Rules in Room H–312 of the Capitol by 10 a.m. on Wednesday, March 10.

Members should draft their amendments to the text of the bill as reported by the Committee on Energy and Commerce which will be available tomorrow for their review on the Web sites of both the Committee on Energy and Commerce and the Committee on Rules.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

VICE PRESIDENT CHENEY'S ABUSES OF POWER

The SPEAKER pro tempore (Mrs. BLACKBURN). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes.

Mr. PALLONE. Madam Speaker, I come to the floor this afternoon to urge Supreme Court Justice Antonin Scalia to recuse himself from a case that the Supreme Court will hear this year regarding Vice President CHENEY.

I am also here this evening to voice my concern over another example of Vice President CHENEY abusing his power as Vice President to continue to keep secret documents that would significantly impact our Nation's future energy policy.

Madam Speaker, for 3 years now the Vice President has done everything he can to keep the record of his energy task force secret. This secret task force developed President Bush's energy policy, a policy that was then made into legislation here in Congress, legislation that is now stalled in the other body. Nevertheless, the end result of this task force and of that legislation was bad energy policy. There is no doubt that the energy industry succeeded with its influence during these secret closed door meetings in crafting an energy policy that benefited them rather than benefitting Americans who at the time desperately needed relief from high energy prices.

For 3 years now the Vice President has refused to let the American people know who made up this White House energy task force. For 3 years now the Vice President has refused to let the American people know how and why the task force came to the conclusions it did about energy policy. And finally, after 3 years of hiding the information, it appeared that we would finally get some of the information CHENEY was fighting so hard to keep secret, thanks to the Sierra Club and another conservative group called Judicial Watch who jointly sued the Vice President and the energy task force, seeking an accounting of energy participation in crafting the Bush administration's destructive energy policy.

There was a Federal district court order that said that the administration as a result of this suit had to provide information about participation from these industries, which the Bush administration refused to do. The Bush

administration claimed constitutional immunity from such inquiries. But the Federal court rejected the Bush administration's contentions and pointed out that the administration was attempting to ''cloak what is tantamount to an aggrandizement of executive power with the legitimacy of precedent where none exists.''

So what happened is that the district court basically at the request of the Sierra Club and Judicial Watch insisted that the members of the energy task force had to be made public.

Now, you would think under normal circumstances that the Bush administration or the Vice President would say okay, the court has now ruled on this. They have said that this secret energy task force has to be made public effectively and at that point would simply say, okay, we will make the information public. But no. Refusing to give in, Vice President CHENEY then appealed the court decision, asking the D.C. District Court to make new law that would effectively shield the Bush administration from any scrutiny.

In my opinion that is the height of arrogance. Here we have a district court saying that information about this task force should be made public. What is the real harm? I cannot imagine that there would be any harm in making it public, but he nonetheless insisted that he will not go along with the district court's opinion. And the Bush administration actually went to court and asked the court to shield President Bush, Vice President CHENEY, and the rest of the administration from any scrutiny from opening up this energy task force.

Now, what happened, of course, is that the court denied the Bush administration's request. And so what did Vice President CHENEY then do? Well, he appealed the decision to the United States Supreme Court. And on December 15 of last year, the Court agreed to take the case and the Supreme Court is expected to hear arguments next month in April.

An interesting phenomenon though is that 3 weeks after the Supreme Court agreed to hear this case on December 15, just 3 weeks later Justice Scalia, a member of the Supreme Court, and one of his children accompanied Vice President CHENEY on an Air Force II flight from Washington, D.C. to Morgan City, Louisiana.

There, according to news reports, Justice Scalia and the Vice President were guests of a Wallace Carline, president of an energy services company, and they went on a duck hunting vacation. Neither the Vice President nor Justice Scalia made this duck hunting vacation public. Had it not been for the investigative work of the Los Angeles Times we might still not know that these two spent several days together hunting duck in Louisiana.

After the vacation made national headlines, Justice Scalia offered the following response. He said, ''Social contacts with high level executive officials, including Cabinet officers, have never been thought improper for judges who may have before them cases in which those people are involved in their official capacity. For example, Supreme Court Justices are regularly invited to dine at the White House, whether or not a suit seeking to compel or prevent certain presidential action is pending. I expect that all of the justices were invited to Vice President CHENEY's annual Christmas party. The invitation was not improper, nor was the attendance.''

That was Justice Scalia's response.

Madam Speaker, let me say I do not think this response by Justice Scalia is acceptable. I do not think, Madam Speaker, you would expect the American people to believe that a social dinner in which hundreds of people are gathered at the White House is the same as spending one-on-one time with the Vice President on his jet, on the American taxpayers' dime. You spent days of quality one-on-one time with the Vice President, and that is certainly difficult than quickly exchanging a hello at a White House social gathering with hundreds of other people.

In case you think or someone thinks it is my own prejudice because I happen to be a Democrat, you do not have to take my word for it. The media and the American public are also not buying Justice Scalia's explanation for this duck hunting vacation. And I just wanted to quote several comments from editorials in newspapers around the country commenting on this conflict of interest or potential conflict of interest.

The San Diego Union Tribune said, ''As legal experts point out, a private hunting trip is not a simple social event. It is extremely personal access by a litigant to a judge hearing his case.''

The Charlotte Observer in North Carolina made the following observation in their editorial comments. ''When a judge goes on a 3-day hunting trip in Louisiana as the guest of a man who is at the center of a case before the Supreme Court, that is hardly the kind of casual social contact that most people would consider innocuous.''

Then we have a New York Times editorial, ''Vacationing with a litigant in a small group outside the public eye raises a far greater appearance of impropriety than attending a White House dinner.''

I could give you other examples, Madam Speaker, as well. I think the New York Times went on to say or I would like to go on to say that I think it is quite ironic that the man hosting the two men, Wallace Carline, made his fortune in the energy sector. He was the one that hosted the Vice President and Justice Scalia, and he of course is an energy corporate executive. And some of the newspapers commented on that as well.

The Salt Lake Tribune editorial page noted, ''Perhaps the businessman, Wallace Carline, of Diamond Services Corporation, was a member of the secret advisory committee that CHENEY convened to draft the administration's pro-oil energy policy. Perhaps he was not. Whether the public ever knows that is up in part to Mr. Hunting Buddy Scalia.''

The point is we do not know what the conflicts are in terms of Mr. Carline because we do not know whether he is on the energy task force. If we found out that he was on the energy task force, which is one of the things that this suit is trying to determine, then that would indicate even more strongly the nature of the conflict of interest.

But I do not think there is any doubt that this vacation serves as a conflict of interest, and because of that Justice Scalia should recuse himself from hearing the Cheney case.

One has to understand that the issue here is not just the actual conflict but the appearance of it. Those of us who went to law school know that when you talk about ethics and the issue of whether a judge should recuse himself from a case, it is an issue not only of a potential conflict but also the appearance of conflict. And I do not think there is any question that the appearance of conflict is here because of the fact that this case involving the Vice President was imminent before the Supreme Court and that Justice Scalia would have to make a ruling and a decision on the case.

I want to point out that it is not just Justice Scalia who is responsible for the conflict of interest. Vice President CHENEY should have realized that vacationing with a Supreme Court Justice not even 3 weeks after the court agreed to hear his appeal had the appearance and was a conflict of interest. I think the Vice President, unfortunately, seems to be willing to do anything to ensure that the records of this energy task force are never made public.

I do not really understand, Madam Speaker, what the Vice President is trying to hide. Would it be embarrassing to the administration to have to admit that every member of the task force was an oil or gas executive? Probably. But thinking about it, that really would not be anything new. I do not know that anybody would really be surprised by that. So I am beginning to think that there is something else that is being hidden here.

What could be so damaging in these documents that the Vice President and the Bush administration do not want them released? We could speculate that somewhere within these documents there is proof that the Bush administration was looking at taking out Iraqi leader Saddam Hussein in order to take control of that nation's rich oil reserves.

Well, interestingly enough former Treasury Secretary Paul O'Neill stated in his recent book that Vice President CHENEY strongly suggested U.S. intervention in Iraq well before the terrorist attacks of September 11. Additional

evidence exists that CHENEY played an early planning role in the war in a national security document dated February 3, 2001, months before September 11.

According to a report in the New Yorker Magazine, the top secret document written by a high National Security Council staffer, ''directed the NSC staff to cooperate fully with the energy task force as it considered the melding of two seemingly unrelated areas of policy, the review of operational policies towards rogue states such as Iraq and actions regarding the capture of new and existing oil and gas fields.''

Now, I am just speculating here and I know others have speculated in this same manner, but really that is all we can do right now because the Vice President refuses to allow the American public to see these documents from his energy task force.

I would like to point out incidentally, Madam Speaker, that I do not understand why congressional Republicans are not demanding that these documents be released by the administration. Of course, some of my colleagues on the Democratic side have been asking for it. My colleague, the gentleman from California (Mr. WAXMAN), who tried for months to get the administration to turn over these documents from the energy task force, he said it best in my opinion during a floor speech last week after the General Accounting Office refused to force the Vice President to turn over the documents. And this is what the gentleman from California (Mr. WAXMAN) said. He said, ''The hypocrisy about this issue on the Republican side is simply breathtaking. During the 1990s it was Republicans in Congress who embarked on a concerted effort to undermine the authority of then-President Clinton.

□ 1545

Congressional committees spent over $15 million investigating the White House. They demanded and received information on the innermost workings of the White House. They subpoenaed top White House officials to testify about the advice they gave the President. They forced the White House to disclose internal White House documents, memos, e-mails, phone records, even lists of guests at White House movie showings; and they launched countless GAO investigations into everything from President Clinton's health care task force to his working group on China permanent normal trade relations.

Yet we do not see anybody on the Republican side insisting, even after the court has said that it should be, that any of the documents be released from this energy task force. How different is that in any way from President Clinton's health care task force or his working group on China permanent normal trade relations? We do not see any difference.

The gentleman from California (Mr. WAXMAN) continued in this speech when he said, ''And if the White House resisted, these same leaders insisted that Congress and the public's right to know was paramount.''

Defending his numerous demands for White House records, for example, one of my colleagues, who I respect a great deal, the gentleman from Indiana (Mr. BURTON), insisted on the House floor that public disclosure of the facts is the essence and, in large part, the purpose of congressional oversight. The American people have a right to know the facts. Other Republican leaders reiterated this message over and over again on countless television shows.

So when President Clinton was President and he had task forces on health care, on China, on other issues, the Republicans insisted that this was a right-to-know issue and that the records of the White House task forces, such as the health care one, had to be made public, that this somehow was a fundamental issue that went to the public's right to know; but now we do not hear our colleagues on the other side of the aisle, the Republicans here in Congress, saying that the energy task force records should be made available, the document, the members of the energy task force should be made available.

Frankly, I do not see the difference. It seems to me the same right-to-know issue exists with regard to the energy task force under President Bush and Vice President CHENEY that existed with regard to similar-type task forces under President Clinton.

The bottom line is that on the Republican side oversight does not seem to be a priority anymore, not when it comes to a President who is of their own party or a Vice President who is of their own party.

Normally, I would not restate one of my colleague's statements, but the gentleman from California (Mr. WAXMAN) was right in what he was stating about access to these documents; and I think that he, being the ranking Democrat on the Committee on Government Reform, is frustrated because Republicans here in Congress no longer seem to care or play any role to oversee the actions of this Republican administration, and I think that is a very dangerous precedent for the future of our country.

Now that the Republican majority has given up its oversight ability, the only ones who can now force Vice President CHENEY to hand over these documents is the Supreme Court, and I do not know exactly, Madam Speaker, how we can effectuate that; but I do think that we need to speak out. We need to speak out and say that under the circumstances, Justice Scalia must recuse himself from this case; Vice President CHENEY must be forced essentially to turn over these documents. I would hope that the Justice would take this action on his own. I would hope that the Vice President would take this action on his own, and we would not have to have these lawsuits occur. But until such time as they agree to do so, I also think it is important for us as Members of the Congress to come down on the floor and speak out because this is just another example, in my opinion, of the Republican Party's abuse of power and a very bad example because it basically nullifies our ability to know what happened in this White House energy task force which was essentially instrumental in putting together the legislation that is now pending in the other body, that passed this House, that is the basis for our national energy policy.

I see one of my colleague from Washington is here, and I appreciate his coming down; and I yield to the gentleman.

Mr. INSLEE. Madam Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for yielding. I appreciate him bringing this important matter up for discussion because I think it strikes at the very heart of American democracy, which is a fundamental tenet that people have to trust the system, to have confidence in the ultimate results of what has happened here in Washington, DC.

Unfortunately, due to ignoring some basic tenets that people have to trust the cards and who is dealing the cards before they are going to trust the outcome of the game, people have doubts about what is going on in Washington, DC right now; and my colleague has brought up two reasons why those doubts have been fanned, and those reasons have to do with being centered around this secretive energy task force which has been shielded from public attention, that has been cloaked by secrecy all the way now to the U.S. Supreme Court, which is now involved in a situation which I believe can diminish people's trust, not only in the executive branch in government but in the judicial branch in government. I would like to address those concerns if I can.

First, I want to talk about the judicial branch of government and why I believe right now it is at risk of undergoing some loss of trust in the American people associated with this energy task force situation. Perhaps my colleague has spoken about this already, but let me address what my understanding of the situation is, and what I know about this comes from the newspapers, so I am going to relay what I have read about this situation.

As we know, the Vice President convened a task force to develop the administration policy, official policy of the executive authority of the United States of America, and he asked people to come in secretly and who came in was secret. When they met was secret. What they talked about was secret. What policies were developed as a result of that input was secret. Who got the tax breaks as a result of those discussions is secret. Who got the public subsidies from American taxpayers was secret. What deals were cut to give American taxpayers' money away to multi-million dollar corporations was

secret. It was secret then, it is secret now, and apparently the executive branch wants to keep that secret to infinity, to eternity.

Now, this has caused extreme angst and concern of my constituents, and I hear about this problem frequently. So what has happened as a result of that abnormal, unusual, unjustified secrecy is some citizens have challenged that, rightfully so, I believe, in court. At least one significant court, a court of appeals, has ruled that this veil of secrecy should be lifted.

Appropriately, that matter is now pending before the U.S. Supreme Court. The executive branch has appealed. They have the right to appeal that, and we respect their right to appeal that so that the Supreme Court can decide the legal issue, and it is important for the Supreme Court to decide this legal issue, and we have no problem with the executive branch making whatever arguments they believe are appropriate to have this matter dealt with.

However, when it is dealt with, it has to be done in a manner that is consistent with American jurisprudence and consistent with Americans' expectation that the carving in the marble over the Supreme Court is going to be more than a carving because the carving says, ''Equal Justice Under Law,'' and Americans expect equal justice under law; and when they expect equal justice under law, they expect that everyone will be treated equally, that there will not be personal relationships that could possibly influence the decision of the highest court, the bastion of liberty, the single most important court in the world that has been the bastion of preserving our personal individual liberties since the beginning of this country.

Now, I am going to display a little bit of pride in the American judicial system for a minute. I am an old lawyer, a small-town practicing lawyer; and I really, truly believe that the American independent judicial system is one of, if not the principal, the reasons we have personal liberties in America today, because the Supreme Court of the United States historically has been a guardian of personal liberty, has protected the first amendment. It has protected our rights of freedom of speech. It has protected our rights of freedom of religion. It has protected our rights that we enjoy in reality, not just in paper, because you know what? The Soviet Union had the same bill of rights we do. They just did not have the courts to enforce them.

We have a judicial system that is independent, and rightfully, from the political winds that blow, as much as we can make it, so that it will make decisions based on freedom rather than politics. So I believe very strongly in how important a clean, even-handed, fair, independent judiciary is to American democracy; and I believe right now that is at risk, that Americans' trust in that system is at risk.

Now, I will not mention one decision that had a little controversy associated with it at the beginning of this administration. That is history. We do not want to talk about that, but today we have a situation where the Vice President, whose name is attached to this specific litigation, to decide whether or not his secret plan will remain secret, rather his cabal of people he got into the room, who he will not tell us about, will always remain secret and Americans will never know about it. Clearly, he has an interest in the resolution politically and a great sense personally in the resolution of this issue, and I respect the Vice President's right and the executive branch's right to have this matter heard on a fair basis by the U.S. Supreme Court.

But we know that what has happened is in a fairly short time, before this matter will be heard before the U.S. Supreme Court, we are told in press reports that the Vice President of the United States invited one of the nine people, the only nine people in the world that can affect his secret task force or the secrecy of his task force, of only nine people in the world who can help him win his victory to keep this information from the American public, he invited one of them to come down to a duck hunting club in the South, I believe it was Louisiana, invited him, gave him free, I believe, I am told, a flight down on a jet to this duck hunting club where they could hobnob in secrecy for several days, where the American public was not invited into their discussions, where they did whatever people rightfully do in duck blinds across the world, which I respect and admire and am somewhat jealous of, which is great, and we admire collegiality.

We admire people enjoying each other's company, but we cannot allow Americans to doubt the integrity of the United States Supreme Court, and when a Vice President of the United States, whose name is attached to the very litigation that we are associated with, whose political fate is somewhat tied up ultimately in the outcome of this litigation, who has the entire country focusing on the energy policy rightfully of this country, that is going to be decided by his duck hunting buddy, Americans are not wholly confident about that situation.

We have a concept in the law called ''an appearance of fairness,'' and I do not mean any personal disrespect for the particular Justice involved here. I do not mean to demean his stature in any way, but under the circumstances of this case, it is not up to the standards of the American judicial system to have that situation exist while one of the nine people involved, where there is no further appeal, this is not just the district court where you can say well if the one district court makes a mistake later on, some appellate judge is going to clean it up. There is no more cleaning up after the U.S. Supreme Court. This is it.

That is why I believe that it was a mistake of significant order for the Vice President of the United States to invite someone who will be deciding his case on this vacation shortly before this decision is going to be decided, and I can tell you that this has not helped restore the integrity and maintain the integrity of the U.S. Supreme Court on the high levels of expectations that we should have, and this is not a personal issue. It is a matter of integrity of the American judicial system.

Now, this is all tied up and it kind of flows from the concept of secrecy. I mean, what we found is that in public life openness and sunshine is the antivirus agent and the best antivirus agent for things that are not healthy in American democracy; and what the Vice President has found is his insistence of not allowing public disclosure of this information has resulted in this controversy, which is most unfortunate.

We have legitimate policy disagreements with this administration, about energy policy. We believe that the administration's energy policy is a tremendous energy policy for 2 centuries ago, in that it was very successful in handing out tremendous special interest breaks to large corporations, many in the fossil fuel business, that are not sufficiently visionary to deal with what we need to really break our addiction to Saudi Arabian oil, to stop global warming, and to grow new jobs in this country.

□ 1600

And we have a better policy, we believe.

But before we get to the policy, this administration needs to come clean with the American people about what type of back-door, closed-room dealing went on to create this proposal by them. And this administration should not infect the judicial system. The executive branch here should not infect the judicial system here by carrying this secret policy all the way to the U.S. Supreme Court and thereby reducing not only the respect for the executive branch but for the judicial branch as well.

I think at this point it would be well advised for the Supreme Court to consider this as a court, not as an individual judge or justice to resolve what its policies should be. I have heard the justification by the particular justice involved here. He has suggested that social interaction of one nature or another is to be expected in Washington, D.C. People are going to bump into each other at charity banquets, receptions and galas, and he is entirely correct. Those things will happen and they are expected, and I have never heard that anybody would gripe if this particular justice would have bumped into the Vice President at the former Members of Congress reception I was at the other night. I do not think anybody would have been raising a hue and cry about that issue.

The fact of the matter here is that we are talking about a very visible, important, and national public policy decision by the U.S. Supreme Court, and the gentleman who is the very person whose conduct is in question in this litigation spent several days, with very few other people, in a duck blind in Louisiana before this major national decision will be made by this sitting justice, based on discussions he has had with this Vice President, with no public disclosure whatsoever. And I am here to say that is wrong.

Republicans believe that is wrong, Independents believe that is wrong, Democrats believe that is wrong, and most importantly those who believe in the integrity of the American judicial system believe that is wrong. And I am one of them. I walk by the U.S. Supreme Court every day on my way to work. It is a beautiful white building. And the reason it is beautiful is it has maintained the trust of the American people that they will get a fair deal ultimately in the U.S. Supreme Court. The minute that they cannot believe that we have got big problems in American democracy.

I am encouraging the executive to rethink this entire secrecy policy and the U.S. Supreme Court to consider it as well, and I appreciate the gentleman bringing this to our attention.

Mr. PALLONE. Madam Speaker, I want to thank my colleague for the various points he made, but if I could develop a couple of them because I think some of them were particularly incisive.

First of all, the gentleman started off by talking about the reputation of the Supreme Court being at stake here. I think that is true. I have to say that I came to this issue initially because of my concern over the policy aspects. In other words, we have this energy task force which made recommendations and became the basis for legislation that moved in the Congress. And, frankly, I feel that most of that work should have been done here in the Congress.

In other words, we have committees, we have hearings, we introduce bills, and we move forward with legislation on something as important as this. But as the gentleman and I both know, in this case, almost everything that was in the legislation that was moved here by the Republican majority came out of this task force. So unlike the normal circumstance where somebody introduces a bill, we have a committee hearing, we have witnesses, we develop the legislation, it comes to the floor, and there is all this public input, which there was public input, that did happen in this case, but the seeds of this were developed in this secret task force.

We do not come to the floor and complain about these problems with the abuse of power by the Republicans just because we are Democrats. We worry about the impact on public policy and whether or not it is good public policy in terms of our energy independence, for example, because of maybe who was involved in putting this legislation together.

So I did not come to this, is what I am trying to say, by reference to the Supreme Court and the reputation of the Supreme Court, but I think the gentleman justly brings up the fact that that is a very important part of this; the trust and the ability of us to believe that the Supreme Court is going to make a very fair decision. That is probably just as important here as what the energy policy is that came out of this task force.

When the gentleman mentioned that, I was looking at this New York Times editorial from last Saturday, which I had quoted earlier before the gentleman came down to speak, and I am not going to read the whole thing, but it is right on point in the last two paragraphs as to what the gentleman said. The New York Times editorial from February 28, last Saturday, reads: ''The law says a Federal judge must recuse himself from proceedings where his impartiality might be questioned. What matters, the Supreme Court has held, is not the reality of bias but its appearance. By vacationing in a small group with Mr. CHENEY and taking things of value, Justice Scalia indicated an appearance of bias in Mr. CHENEY's favor. It raises an appearance of partiality and should have been avoided.''

Then they go on to say, ''the recusal rules protect not only litigants but also the court itself. Justice Scalia's actions have again made the court fodder for late night comedy, as it was after the 2000 election. If Justice Scalia stays on the case and votes in Mr. CHENEY's favor the Court will no doubt face more criticism. Justice Scalia should recuse himself either of his own volition or with the encouragement of his colleagues.''

Of course, they are referencing back to the Presidential election and the Court's decision in the Presidential election. But the point is it is the Supreme Court itself whose reputation is at stake, as the gentleman pointed out. And they have had problems in the last few years, so they do not need another problem. Also, it is not really the issue of whether or not they actually discussed this litigation, because we do not know that, but the appearance of it, which is really what this is all about.

Madam Speaker, I yield to the gentleman once again.

Mr. INSLEE. And let me say why I think this is so important. This is not important to Democrats, this is important to all Americans, Republicans, Independents, Green Party, you name it. Again, the reason is this is the people's House, the House of Representatives. We like to believe we do a good, and we do a good job some of the time at least, when we win our battles anyway, but we have to understand that the way people set up this country is that they had a peculiar genius and they understood to protect individual liberty they were going to need a separate entity that could stand alone and could even stand against sometimes very passionate emotional issues for individual liberty. That in our system of justice has been, I believe, a major tenet of the success of American democracy.

Brown vs. Board of Education came from the Supreme Court. It did not come from the House of Representatives. The protection of people's civil liberties and their religious expression came from the Supreme Court. The Supreme Court has enforced the Bill of Rights in a lot of ways. And unless the Supreme Court remains inviolate and enjoys the popular support of the American people to understand they are going to get a fair shake, then those individual liberties are in danger.

So I think this is much bigger than the energy task force. Although this is important, the issue of secrecy, but what is more important is the basic trust of the American people in that white marble building there that I believe is at risk in this very, very high profile decision. That is why I believe the Supreme Court should make a decision as a group on this, not as individual justices, because they as a group have a stake in this particular controversy.

Again, I do not blame the Supreme Court. I think this was a mistake by the Vice President to initiate this controversy both in the secrecy aspect of it and the effort to have these out of court contacts with the person who will be deciding the case. So we hope that those things are remedied.

Mr. PALLONE. Madam Speaker, I know my colleague mentioned the fact that the Supreme Court should act on this collectively. My understanding is that on Tuesday of this week, March 2, the Supreme Court issued its first collective statement related to the controversy surrounding Justice Scalia, and basically said they would let Justice Scalia decide by himself whether he should sit in on this case in which the Vice President is the named plaintiff.

Again, I think that is unfortunate, because I do think that since Justice Scalia has been so reluctant to recuse himself, the likelihood that he would do it on his own is probably less than if the Court as a whole made that decision. But, nonetheless, we can still hope that if we continue to talk about this and bring it up that maybe he will recuse himself.

I have some statistics about the current justices recusing themselves from cases, and the fact is many have recused themselves in many cases. Chief Justice Rehnquist, for example, has recused himself 299 times since he joined the Court and Justice Clarence Thomas has recused himself 199 times. So it is not unusual for that to happen. I still, for the life of me, do not understand why in this situation, which is so high profile, that Justice Scalia does not simply say, look, I will stay out of

this one. I will recuse myself and I will not allow myself to participate.

It seems like it is a very simple thing that could be done, and I do think it is important for us to continue to bring it up. Because the bottom line, Madam Speaker, is that this energy task force has played a very important part in energy legislation that was developed here. And the whole concept of the appearance of impropriety on behalf of both the Vice President and the Supreme Court is at stake.

So we are bringing this up tonight, myself and the gentleman from Washington, but we are going to have to come back here again and bring it up because this case will be heard in April and there is still the opportunity for Justice Scalia to heed the advice of the litigants, the Sierra Club and the other public advocates who have asked he recuse himself in this case.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Williams, one of his secretaries.

SOCIAL SECURITY

The SPEAKER pro tempore (Mrs. BLACKBURN). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Madam Speaker, I am going to give a short tutorial on Social Security tonight, and this is going to be somewhat bipartisan because I am going to criticize both parties a little bit for not acting on one of the most serious problems I think is facing our country, and that is unfunded liabilities. In other words, the kind of promises that Congress has made to make themselves more popular back home and yet not having any way to pay for it.

The estimated unfunded liabilities in today's dollars of the promises that we have made that we do not know where the money is coming from is estimated now at $53 trillion. In other words, we would have to come up with $53 trillion and put it in a savings account that is going to return at least inflation and the time value of money in order to pay for these kind of future benefits. Even at this time, when Republicans are talking about the diligence that we must have in reducing spending, and my guess is we are going to reduce spending even less than what the President has suggested, there still is the problem of dealing with Social Security.

I asked the pages a little earlier to listen up to my comments tonight on Social Security because our pages, who are 16- and 17-year-olds and in high school, are the generation at risk that are going to have to put up with our nonaction to solve this serious problem. And as long as the pages are listening, let me just say it is a tremendous service that they provide to America, giving up their time, getting up at 5:30 in the morning, eating quickly and doing all the work we put before them.

Okay, here goes the roughly 30, 35-minute tutorial on Social Security. First, I am going to start out with how we divide up government spending. If you look at this pie chart, we see that the expense for Social Security is the largest piece of this pie.

□ 1615

Let me remind everyone that Social Security is a pay-as-you-go program where the taxes, FICA taxes that come out of your paycheck immediately, once it gets to the Department of Treasury, is either sent out in benefits to current retirees, or where there is a surplus it is spent for other government programs. Social Security even exceeds the 20 percent increase in cost of defense. Interest is 14 percent, but to continue to borrow this money and pretend that our problems today are so serious that it justifies taking money away from our kids and grandkids that cannot defend themselves I think is unconscionable.

Here is briefly how Social Security works. Benefits are highly progressive and based on earnings. Some people have said if the economy improves it will satisfy the problems that we are facing with Social Security. That is not true because as the economy improves and wages go up, that means future benefits, because they are directly related to the wages that you are making, future benefits are also going to go up. It might solve the problem in the short run, but in the long run it does not solve the problem.

The second is at retirement all of a worker's wages up to the tax ceiling are indexed to present value using wage inflation. In other words, if you made $20,000 a year 15 to 18 years ago, the wage inflation would credit you on the way your benefits are calculated up to what that $20,000 is worth today. In other words, it would be written down someplace around $40,000. The third blip, the best 35 years of earnings are averaged. So if you only work 20 years, 15 years go as a zero for your average earnings in terms of defining your benefits.

The annual benefit for those retiring in 2004 equals, and this is how it is progressive, it equals 90 percent of the earnings up to 7 percent. These are the benefits you are going to get or are getting. It equals 90 percent up to the first $73,440; 32 percent of the earnings between that figure $73,440 and $44,000; and 15 percent of the earnings above the $44,286. In other words, if you are a very low-income person, you can receive back on our average Social Security check 90 percent of what you averaged during the 35 years. If you are a very high income recipient, you are going to get 15 percent of the earnings up to the maximum of what is now $89,000. We have capped your earnings in terms of defining Social Security benefits up to $89,000, and that is geared to inflation in future earnings.

Early retirees receive adjusted benefits. If you retire at 62, they figure out how long you are going to live and reduce your benefits accordingly. However, if you decide to put off retirement, maybe until you are 70, then your retirement benefits are indexed to a higher calculation in your monthly payment. So if you are in good health, keep exercising and eat right, sometimes it is going to be to your advantage to put off receiving those Social Security benefits for a few years.

What a lot of people come to me and ask, what about all this cheating on SSI? These people are getting my Social Security benefits. That is not true. SSI comes out of the general fund. It does not come out of Social Security.

Well, Social Security started in 1934 with President Franklin Roosevelt. When President Roosevelt created the Social Security program over 6 decades ago, he wanted it to feature a private sector component to build retirement income. Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand-in-hand with personal savings accounts.

Researching the archives, and if you have never looked at the archives and the history of this country, it is very interesting. Looking at the archives when Social Security was passed, the Senate actually said there should be personal retirement savings accounts owned by the individual worker. The House said no, let us have government take all of the money and the government can invest it. That way we can be sure no snake oil salesman comes in and tries to convince individuals to invest their money some place where it might be risky.

In conference committee the House won out, the government won, and from then on every time Social Security gets into a little trouble in terms of income, enough income coming in to pay benefits, it does one of three things: It increases taxes; it reduces benefits; or a combination of those two. Most often it is a combination of the two.

Social Security is, what I wrote on this chart, is a system stretched to its limit. There are 78 million baby boomers that begin retiring in 4 years in 2008. This is part of the problem. With a pay-as-you-go program with more and more retirees and a lower birth rate, you end up with fewer and fewer workers paying for the benefits of that increasing number of retirees. Social Security spending exceeds tax revenue in 2017. That is the current estimate. Later this month the Social Security Administration is going to come out with their new projections of how big a problem we have for Social Security.

Chairman Greenspan at a House Budget Committee hearing said a couple weeks ago that Congress has got to

do something about Social Security. It is going broke. He suggested that we have a few changes in Social Security that slows down the increase in benefits over and above inflation. We had both Republicans and Democrats saying well, boy, we do not want to touch Social Security. As most people know, Social Security is easy to demagogue. We have so many people that are so dependent on Social Security, when somebody says this other guy running for Congress, he wants to ruin your Social Security, and if you do not understand how Social Security works, if you do not understand how great the predicament is going to be and how underfunded Social Security is going to be in the future if we do not make some changes, it is easy to say I better vote for the person that says my Social Security is never going to be touched.

There are only three ways to fix Social Security: You either reduce benefits; you increase taxes; or you make a change in the program to get a better return on the money that is being sent in by American workers. What I am suggesting and I put into my bill 10 years ago, and I was the first to say that we should consider private savings accounts in order to get a better return than the 1.7 percent that the average retiree gets from the money that is paid in, that they pay into Social Security.

The third bullet on this chart, Social Security trust funds go broke in 2037. But in 2017 or 2018 is when there is not enough money coming in from taxes to pay benefits, and so then you have to increase taxes on somebody else. What Congress has done in the past, they say let us just reduce benefits a little bit.

When I introduced my first bill over 10 years, and I have introduced a bill scored by the administration every session of Congress that I have been here since 1992, it was easy to fix the program because there were a lot of surpluses coming in. The point I am trying to make is that those surpluses are going to go away every year.

Back to the pie chart, guess how much we take in from Social Security now? We take in from Social Security taxes $540 billion a year, and what we pay out is $450 billion a year. So right now because of the huge tax increase on Social Security that we imposed with a Greenspan commission in 1983, for a short time period at least we are bringing in more revenues than we need. And part of the problem is that this Congress, both sides of the aisle, have said here is some free money so we are going to spend that Social Security extra money and then we are going to write out an IOU to the Social Security Trust Fund.

Very briefly, solvency is certain. We know how many people there are, and we know when they are going to retire. We know people will live longer in retirement, we know how much they will pay in and how much they will take out, and we know that payroll taxes will not cover the benefits starting in 2017. What do we do? And the shortfalls are going to add up to $120 trillion between 2017 and 2075. That is in future dollars. So if you count how many dollars every year between 2017 and 2075, $120 trillion, compare that to our $2 trillion, a little over, we are running maybe $2.4 trillion this year, that is our annual budget, a little over $2 trillion, $120 trillion we have to come up with in future dollars. If we had $12 trillion in today's dollars and put it into that savings account, we could accommodate benefits; but that is $12 trillion. Where is it going to come from?

This chart represents the demographic problems. The pay-as-you-go retirement system is not going to meet the challenges of a reduced birth rate and an increased longevity for people to live. Back in 1940 there were 37 workers paying in their Social Security tax for every one retiree. By the year 2000, it got down to three workers paying in their Social Security tax for every retiree. Of course we are estimating in 2025 it is going to be down to two.

In addition to those demographic considerations, what we are also facing is the fact that we have increased benefits along the way. And so the fewer workers you have to pay that increased benefit, the greater the burden is on those individuals. But more than that, what is it going to do to our economy? Do you know what is happening in France? France has a payroll tax to accommodate their senior population of over 50 percent. No wonder France has such a high unemployment rate. No wonder France is having a difficult time competing with world trade in their production, because a business only has two chances when they have that kind of increased tax: You either have to pay the employees less or you have to charge more for your product. And if charging more for your product makes you less competitive, then your economy is weakened.

Guess what the payroll tax in Germany is? Now the payroll tax in Germany is 42 percent. Ours is 15.2 percent, but if we do not do something and we say look, we will deal with this problem later, then the consequences are increasing taxes on American workers. That is a problem for those individual workers, and it is a problem for our economy if we start having to charge business the extra tax to pay those kinds of benefits.

That means that the United States Government, Federal Government, has to start considering doing something that almost every State in the Nation has done now, and that is instead of having a fixed-benefit program, you have a fixed-contribution program, and it is going to take 20–30 years to make the transition to that kind of a program. But look, the longer we put it off, the more drastic the solution is going to be.

I know I get a little emotional about this issue. Many of us have shouted and pulled our hair and got on our soapbox saying these are real problems, the unfunded liability of our promises. And of course it has been the tendency that politicians that take home pork projects, that start new programs, that make promises, and the needs out there are unlimited, but those kinds of extra promises that are put into law tend to increase the chance that that individual politician is going to be elected to office.

□ 1630

They get on the front page of the newspapers, their picture is on television cutting the ribbon, and they end up increasing the likelihood that they will be reelected. Part of that is because now over 50 percent of the adult population gets much more from government services than they pay in in taxes. With 50 percent of the people now paying about 1 percent of the total income tax in this country, it is easy to understand why some say, look, I've got problems, give me a little more government, give me a Representative that's willing to spend a little more money. But for the sake of our kids and our grandkids, we have got to face up, I think, to the real problems that we have today in the unfunded liabilities and the overspending.

This is simply a chart that says, starting in 2017, we go from the surpluses of the high taxes that we passed back in 1983 and we go into a future of huge deficit spending.

What I think it is good to remind people about is there is no Social Security account. That is the same as saying it is a pay-as-you-go program. The Supreme Court on two decisions now has said just because you pay Social Security taxes all your life there is no obligation on the part of the Federal Government to pay Social Security benefits. That is what the Supreme Court has said. They said Social Security taxes are a law that has been passed by Congress and signed by the President for increased taxes and that benefits are simply a benefit provision passed by Congress and they are not connected as far as an entitlement.

These so-called trust fund balances in Social Security are available to finance future benefit payments and other trust fund expenditures, but only in a bookkeeping sense. This was the Office of Management and Budget that said this, just to hopefully emphasize the fact that there is no entitlement program. I am introducing legislation to say that in future budgets of both the OMB, that is the President's budget people and CBO, the Congressional Budget Office, which is the congressional budget office, they have got to include projections on unfunded liabilities; and I think maybe it will help us better realize the predicament that we are facing. Generally, it is a little easier to put off the solutions until the disaster is right there upon you. It is easier in terms of politics. It is not easier in terms of finding a good solution to keep Social Security solvent.

As I go around, since it was used against me in my first three reelections that Nick Smith is trying to ruin Social Security, I have probably given maybe between 250 and 300 speeches in my district to my constituents presenting the problem of the dilemma of Social Security. My district is starting to understand better that something needs to be done. Luckily, I have been reelected in spite of the demagoguery. But what a lot of the people say, if government would just keep their cotton-picking hands off of the extra Social Security money coming into the trust fund, it would be okay. This chart represents that it would not be okay. What government has borrowed and spent because of the annual surpluses is now in IOUs down in Virginia and it amounts to $1.4 trillion. The unfunded liability is $12.2 trillion in today's dollars, $120 trillion if you include the future dollar cost of what is going to be unfunded if we stay with the current tax structure.

I think I mentioned a little bit, so just briefly, economic growth will not fix Social Security. Social Security benefits are indexed to wage growth. When the economy grows, workers pay more in taxes but also will earn more in benefits when they retire. And so growth makes the numbers better now, but worse in the future.

The biggest risk is doing nothing at all. Social Security has a total unfunded liability, this is an old figure, of $9 trillion. It is closer to $12 trillion. The Social Security trust fund contains nothing but IOUs. To keep paying promised Social Security benefits, the payroll tax will have to be increased by nearly 50 percent, or benefits will have to be cut by 30 percent. Let us make sure we do not make that happen.

This is a chart that shows what the average retiree gets on the money they send in for Social Security taxes from their paycheck. The real return on Social Security is less than 2 percent for most workers and shows a negative return for some, compared to over 7 percent for the market. If you happen to be a minority whose life span is less, you actually are a loser and you do not get the money that you send in in Social Security taxes. If you are an average, you end up at about 1.7 percent return on your Social Security benefits. I just put this number down in terms of what has happened to the 5,000 stocks in the Wilshire 5,000, the index fund. This is what it has earned after inflation over the decade ending January 31, 2004. So it includes the down years, the low-income years. That is 11.86 percent. If we had government invest it and say, look, you cannot spend it anyplace else, but you have got to invest it, if we were to have individuals own it and say, look, government is going to say that you cannot take it out until you retire, government is going to limit the investment funds that you are allowed to invest in, in safe investments, the possibilities are that you could double, triple, quadruple and even more what you are getting now in terms of returns on the money you pay in for Social Security.

This is another way of saying it in my little bar chart, that if you retired in 1940 when there were so many workers and the program was just starting, it took 2 months to get back everything you and your employer had paid in. If you retire in 2005, it is going to take you 23 years after retirement to break even. And as you see, in 2015 it goes up to 26 years that you are going to have to live after you retire to break even on the money that was sent in for Social Security.

This chart shows what Congress and the President have done in the past to solve the Social Security problem, as there are more retirees and fewer workers. We have increased taxes, this chart does not show how we have reduced benefits, but what we did in 1983 is we increased the age that you receive the maximum benefits. So we are now indexing that age upward from 65, but it only goes up to 67 and then levels off again. Probably what we should do is somehow instead of indexing it to inflation, maybe index that retirement age for maximum benefits to the mortality tables.

I chaired the bipartisan task force on Social Security, Democrats and Republicans. After we spent about a year, both Republicans and Democrats on that task force agreed that something has to be done and the sooner the better. We had testimony from futurists, medical futurists that suggested that within 20 years, anybody that wanted to live to be 100 years old would have that opportunity. Within 30 to 35 years, probably, with our medical technology, anybody that had the desire and the money could live to be 120 years old. So medical technology is making the life span greater. Just let me give Members a short comparison. When we started Social Security back in 1935, the average age of death was 62. That meant most people paid into Social Security most of their lives but died before they were eligible for those retirement benefits. Now the average age of death for a male is 78 and the average age of death for a female in America is about 81½, almost 82 years old.

Very briefly, what we have done on tax increases, in 1940 our rate was 2 percent of the first $3,000. In 1960 we raised it threefold, 6 percent of the first $4,800. In 1980 we raised it to 10.16 percent of the first $25,900. In 2000 we raised it to 12.4 percent of the first $76,200. Now in 2004, because it is indexed for inflation, it is 12.4 percent of the first $87,900. The danger again is increasing taxes or reducing benefits.

Let us deal with some structural changes to Social Security, and I am just going to get into what I think is reasonable as far as some suggestions. I think it is important that we have raised Social Security taxes so much that now 78 percent of working families in the United States pay more in the Social Security tax than they do the income tax.

There are six principles of Social Security that I think are important: protect current and near-term retirees, allow freedom of choice, preserve the safety net, make Americans better off. On the principle of preserving the safety net, nobody's proposal for Social Security makes any change to the insurance part of that program, the disability part. If you get hurt on the job, you are going to be covered under Social Security for some payments. Nobody is suggesting any change in the government running that disability insurance part of the program. Make Americans better off and not worse off, and hopefully the economy in America better off; create a fully funded system; and no tax increases. Those are what I think should be our six guiding principles.

The U.S. trails other countries saving its retirement system. In the 18 years since Chile offered personal retirement accounts, 95 percent of the Chilean workers have created accounts and their average rate of return has been 11.3 percent. Of course, there is Australia, Britain, Switzerland, other countries. Even England allows 50 percent of their FICA tax, so-called, to go into personal retirement accounts.

Here are some of the highlights of my proposal. People choosing to participate in the voluntary account program would continue to receive benefits directly from the government. In other words, they have the option of going into a personal retirement savings account as part of the money that they pay in in Social Security taxes, or they can stay in the current system. Those benefits would be offset based on the amount of money deposited into their accounts, not on the amount of money earned in their accounts. In other words, if you earn more money, then you are better off than if you would be sticking with Social Security. If you can find a rate of return that is better than Social Security, you end up with higher retirement incomes.

In our Social Security legislation that we passed back in 1934, we said that municipalities did not have to go into this program; they could devise their own program as long as they had required saving investments. That is what a lot of counties in the United States have done. Some Texas counties are now paying $40,000 a year in retirement benefits compared to a much lower rate in Social Security. Those benefits would be offset based on the amount of money in accounts. This means that workers could expect to earn more for their account than the offset. What we do in our legislation, because it is so absolute, because we can have some companies that will guarantee a better return than Social Security, we have guaranteed in my bill that your retirement income will be at least as high if you stayed in the Social Security system. We start out, into Social Security you pay 6.2 percent, your employer pays 6.2 percent. In reality it all comes out of the worker's pocket. But we are saying that out

of that 12.4 percent, we are going to start letting you set aside 2.5 percent of your earnings in your own personal retirement savings account.

□ 1645

And there are several provisions where we divide it.

All worker accounts would be owned by the worker and invested through pools supervised by the government. Regulations would be instituted to prevent people from taking undue risks. I know this is all coming hard and strong, but if I give this special order maybe 100 times, people can tune in to pick up some of the leftover pieces.

Until an account balance reaches $2,500 in their personal retirement account, we restrict what they can invest in. It would be limited to choosing one of three funds: an 80 percent bond, a 20 percent index stock or a 60/40 fund or a 40/60 fund. So what we are saying is until one reaches that minimum, that they are going to be limited on the kind of investments they can make. But we also say when one can buy an annuity account that will give them as much money as Social Security would in their retirement, then they can do anything they want to with their money. After the balance reaches $2,500, workers would have access to additional safe funds.

The bill would increase contribution limits for IRAs, 401(k)s, and pension plans because we need to increase our savings in this country. The United States has one of the lowest savings rates in the world right now. That means it is tougher for our business and industry to come up with the funds that they use for research and growth and eventually jobs. It would create a 33 percent tax credit for the purchase of long-term care insurance up to $1,000, $2,000 for a couple. The long-term care insurance is one of the highest costs for Medicaid, a little bit different but still dealing with the huge problem of unfunded liabilities that we are facing with the Medicaid program. The Medicare program is the health care program for seniors. The Medicaid program is the health care program for low income.

It would create a tax credit to make it easier for low-income seniors to live at home or with a family rather than going to retirement care. Low-income seniors would be eligible for $1,000 for expense related to living in their own home, and households caring for dependent parents would also be eligible for a $1,000 credit for expenses.

Here is an issue that has bothered me in Social Security, and I call it ''fairness to women.'' Sometimes it would be the man that is the spouse, but in my proposal I say for married couples, account contributions would be pooled and then divided equally between husband and wife. In other words, if one spouse was making twice as much as the other spouse, they pool what they are making together in terms of what can go into their personally owned private investment account and divide it in two so each husband and wife would have the identical amount of money in their savings account. Certainly, it is going to simplify divorce settlements. It would increase surviving spouse benefits for up to 110 percent of the higher earning spouse's benefit. And stay-at-home mothers with kids under 5 would receive retirement credit. My wife has got me convinced, my daughters have me convinced that stay-at-home moms really work hard, and we should not discourage it. We should encourage it. So I am suggesting in my bill for a mom staying home with those young kids, they can get extra credit in terms of assigning an average earning for those later years of what they might have made if they had been in the working environment. So it averages their highest income for those years they stay at home with those young kids up to 5 years.

Briefly, and let me wind this up pretty quickly, the Social Security Solvency Retirement Security Act has been scored by the Social Security actuaries to restore long-term solvency to Social Security. There would be no increases in the retirement age, changes in benefits for seniors or near seniors or changes in the Social Security COLA. The COLA is the cost of living index that is calculated every year to increase Social Security benefits. Solvency would be achieved by recouping a portion of the higher returns from workers' accounts and slowing the increase in benefits for the highest-earning retirees. Remember that chart back a while ago, if people have been watching this whole show, where the progressivity of the Social Security system ends up with receiving 5 percent if one is of very high income? I add one more bend point, is what I call it, what economists call it, and say if one is of very high income, it is going down to be 5 percent of that very high-income earning. What this does in effect is it slows down the increase in benefits, slows down the increase in benefits for very high-income retirees. That is where we make up some of the money.

The bill would also call for a loan of $900 billion from the general fund to Social Security to help ease the transition. The loan would be repaid when the program regains solvency. My early bills that I introduced in 1993, 1995, 1997 in other sessions did not require that loan to help make the transition, and the transition is a problem because if we are going to have personal retirement savings accounts, somehow we have got to come up with that extra money because of the consideration that it is a pay-as-you-go. As soon as the money comes in, we are paying it out. And in 2017, the current estimate, that we are not going to have enough money to pay benefits. So starting in 2017, we need more money to continue those personal savings accounts.

I think I am down to my last chart, Madam Speaker. The trust fund continues; so I do not deplete the trust fund. I leave at least half of the trust fund in place in case of contingencies, emergencies, or anything else. The Retirement Security Act would allow workers to create, on a voluntary basis, accounts funded from their payroll taxes. The accounts would start at 2.5 percent of income and would reach 8 percent of income by 2075, a very gradual process, but, again, the longer we put it out, the more drastic the solution it is going to be. So we need to do it quickly. We need to quit demagoging. If one is a Republican, do not demagogue the Democrats' suggestions. If one is a Democrat, do not demagogue the Republicans' suggestions on how to fix Social Security. If one is a voter in the United States, then I think they should be asking everybody running for office what is their solution to make sure that Social Security stays solvent? Are they going to simply borrow more money and let our grandkids pay for it? Are they going to increase taxes? Are they going to reduce benefits? What is their proposal? And do not let them give some fast talk and say, ''Boy, I am not going to let anybody touch your Social Security benefits.'' That is what has been done too long. Pin them down. What bills have they introduced? What bills are they signing on to and cosponsoring to make sure we save Social Security?

The Retirement Social Security Act accounts start at 2.5 percent. They go up. Workers would own the money in their accounts. And that means right now if one dies at an early age, they might get burial expense but the money is not theirs; so that is how the Social Security system has gained some money with people that die before they are eligible for retirement benefits. In their personal retirement account the money is theirs. It goes to their heirs if they die before they reach age 65.

Investments would be limited, widely diversified, and investment providers would be subject to government oversight. The government would supplement the accounts of low-income workers making less than $35,000 a year to ensure that they build up significant savings. Actually, I sort of stole this idea from President Clinton. That was one of his proposals that was just part of a proposal that we have an American savings account. But let us make sure, to the best we can, that every worker ends up better in their retirement, that the system helps the economy by having the kind of savings account that, rather than being spent by government for more government programs, ends up being invested in equities, in bonds, in stocks, in the kinds of investments and savings that are going to help our country.

In conclusion let me just say that I was in Libya yesterday meeting with Colonel Khadafi. We have a system and a Constitution in the United States that provided that those people that work hard and save, that study and

learn and use it, end up better off than those who do not, the kind of motivation that has helped us have the strongest economy in the world. It was interesting that Khadafi told us that what he thinks is they need less government in Libya, that if they work 4 hours, they get paid for 4 hours; if they work 8 hours, they should get paid for 8 hours, and if they do not like what their employer is doing, changes jobs, and they do not want somebody speaking for them. In fact, also, and I made a decision early on not to take special interest PAC money for my campaigns, he said we do not want political parties in Libya because with political parties they are both going to be trying to get a majority. To get a majority, they spend money. And the first thing one knows, countries like Egypt would be coming in, financing one political party. Somebody else might be coming in with a different interest, financing another political party. And they would be tending to push laws that were good for their interests and not good for the country of Libya. That is a very interesting change of mood for an individual that has supported terrorist regimes in the past in how he thinks the future of Libya should be restructured.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR CONSIDERATION OF H.R. 339, PERSONAL RESPONSIBILITY IN FOOD CONSUMPTION ACT

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

Mr. GOSS (during Special Order of Mr. SMITH of Michigan). Madam Speaker, the Committee on Rules may meet the week of March 8 to grant a rule for the consideration of H.R. 339, the Personal Responsibility in Food Consumption Act, which may require that amendments be printed in the CONGRESSIONAL RECORD prior to their consideration on the floor.

The Committee on the Judiciary ordered the bill reported on January 28, 2004, and is expected to file its report with the House by Friday, March 5, 2004. Members should draft their amendments to the bill as reported by the Committee on the Judiciary, which will be available tomorrow for their review on the Web sites of both the Committee on Rules and the Committee on the Judiciary.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

PROTOCOL AMENDING AGREEMENT FOR COOPERATION BETWEEN UNITED STATES AND REPUBLIC OF INDONESIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–169)

The SPEAKER pro tempore (Mrs. BLACKBURN) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress, consistent with sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)) (the ''Act''), the text of a proposed Protocol Amending the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy, signed at Washington on June 30, 1980. I also transmit my written approval, authorization, and determination concerning the Protocol, and an unclassified Nuclear Proliferation Assessment Statement (NPAS) concerning the Protocol. (Consistent with section 123 of the Act, as amended by title XII of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105–277), a classified Annex to the NPAS, prepared by the Secretary of State in consultation with the Director of Central Intelligence, summarizing relevant classified information, will be submitted to the Congress separately.) the joint memorandum submitted to me by the Secretary of State and the Secretary of Energy and a letter from the Chairman of the Nuclear Regulatory Commission stating the views of the Commission are also enclosed.

I am advised that the proposed Protocol has been negotiated consistent with the Act and other applicable law and that it meets all statutory requirements. This Protocol will advance the nonproliferation and other foreign policy interests of the United States.

The Protocol amends the Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy in two respects:

1. It extends the Agreement, which expired by its terms on December 30, 2001, until December 30, 2031, with effect from the former date; and

2. It updates certain provisions of the Agreement relating to the physical protection of nuclear material subject to the Agreement.

As amended by the proposed Protocol, the Agreement will continue to meet all requirements of U.S. law.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and has an agreement to its nuclear program. It was also among the early sponsors of, and is a current party to the Southeast Asia Nuclear Weapons Free Zone. The United States and Indonesia have had a long and positive history of cooperation in the peaceful uses of nuclear energy, with our earliest agreement for this purpose dating back to 1960.

I have considered the views and recommendations of the interested agencies in reviewing the proposed Protocol and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the Protocol and authorized its execution and urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. My Administration is prepared to begin immediately the consultations with the Senate Foreign Relations Committee and House International Relations Committee consistent with section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 4, 2004.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ISAKSON (at the request of Mr. DELAY) for today on account of attending his daughter's wedding.

Mr. KING of New York (at the request of Mr. DELAY) for today on account of medical reasons.

Mr. WOLF (at the request of Mr. DELAY) for today on account of attending the funeral of the president of Macedonia.

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. MCGOVERN) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

(The following Members (at the request of Mr. LEWIS of Kentucky) to revise and extend their remarks and include extraneous material:)

Mrs. BIGGERT, for 5 minutes, today.

Mr. GILCHREST, for 5 minutes, March 10.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2057. An act to require the Secretary of Defense to reimburse members of the United States Armed Forces for certain transportation expenses incurred by the members in connection with leave under the Central Command Rest and Recuperation Leave Program before the program was expanded to include domestic travel; to the Committee on Armed Services.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2136. An act to extend the final report date and termination date of the National Commission on Terrorist Attacks Upon the United States, to provide additional funding for the Commission, and for other purposes.

ADJOURNMENT

Mr. SMITH of Michigan. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p.m.), under its previous order, the House adjourned until Monday, March 8, 2004, at noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6999. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Cold Treatment of Fruits [Docket No. 02-071-2] received February 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7000. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Irradiation of Sweetpotatoes From Hawaii [Docket No. 03-062-2] received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7001. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Gellan Gum; Exemption from the Requirement of a Tolerance [OPP-2004-0003; FRL-7344-1] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7002. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Pyriproxyfen; Pesticide Tolerance for Emergency Exemption [OPP-2004-0028; FRL-7345-3] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7003. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Yeast Extract Hydrolysate from Saccharomyces cerevisiae; Exemption from the Requirement of a Tolerance [OPP-2003-0403; FRL-7343-9] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7004. A letter from the Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule — Magnet Schools Assistance Program (RIN: 1885-AA01) received February 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7005. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule — Medical Devices: Classification of the Dental Sonography Device and Jaw Tracking Device [Docket No. 2002N-0305] received December 18, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7006. A letter from the Attorney Advisor, NHTSA, Department of Transportation, transmitting the Department's final rule — Federal Motor Vehicle Safety Standards; Occupant crash protection [Docket No. 03-16476; Notice 2] (RIN: 2127-AJ30) received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7007. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of State Implementation Plans; Designation of Areas for Air Quality Planning Purposes; State of Arizona; Tuscan Area; Technical Correction [AZ 114-CORR; FRL-7632-1] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7008. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Arizona — Maricopa County Ozone; PM-10 and CO Nonattainment Areas; Approval of Revisions to Maricopa County Area Cleaner Burning Gasoline Program [AZ-082-0072; FRL-7626-1] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7009. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of State Air Quality Plans for Designated Facilites and Pollutants; Commomwealth of Pennsylvania; Control of Emissions from Existing Small Municipal Waste Combustion Units [PA190-7008a; FRL-7631-7] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7010. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of State Plans for Designated Facilities and Pollutants: Louisiana; Plan for COntrolling Emissions From Existing Commercial and Industrial Solid Waste Incinerators [FRL-7624-6-LA-66-1-7598a] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7011. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Delaware: Final Authorization of State Hazardous Waste Management Program Revisions [FRL-7631-4] received February 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7012. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [OAR-2002-0059; FRL-7630-8] (RIN: 2060-AG-63) received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7013. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — National Emission Standards for Hazardous Air Pollutants; Surface Coating of Automobiles and Light-Duty Trucks [OAR-2002-0093; FRL-7630-9] (RIN: 2060-AG99) received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7014. A letter from the Deputy Chief, WCB/TAPD, Federal Communications Commission, transmitting the Commission's final rule — Rural Health Care Support Mechanism [WC Docket No. 02-60] received February 24, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7015. A letter from the Senior Legal Advisor to Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.606(b), Table of Allotments, Television Broadcast Stations (Tupelo, Mississippi) [MB Docket No. 03-221; RM-10796] received February 24, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7016. A letter from the Senior Legal Advisor to 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 (Fargo, North Dakota) [MB Docket No. 03-234; RM-10699] received February 24, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7017. A letter from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Parts 2 and 25 to Implement the Global Mobile Personal Communications by Satellite (GMPCS) Memorandum of Understanding and Arrangements [IB Docket No. 99-67]; Petition of the National Telecommunications and Information Administration to Amend Part 25 of the Commission's Rules to Establish Emission Limits for Mobile and Portable Earth Stations Operating in the 1610-1660.5 MHz Band [RM No. 9165] received February 24, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7018. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule — Passport Procedures--Amendment to Passport Regulations (RIN: 1400-ZA05) received February 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

7019. A letter from the Counsel for Rulemaking and Regulations, Department of Homeland Security, transmitting the Department's final rule — Department of Homeland Security Human Resources Management System (RIN: 3206-AK31/1601-AA19) received February 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7020. A letter from the Chairman, Federal Election Commission, transmitting the Commission's final rule — Extension of Administrative Fines Program [Notice 2004-5] received February 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on House Administration.

7021. A letter from the Assistant Secretary of the Interior, Department of the Interior, transmitting the Department's final rule — Permits for Recreation on Public Lands [WO-250-1220-PA-24 1A] (RIN: 1004-AD45) received February 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7022. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels Catching Pacific Cod for Processing by the Offshore Component in the Central Regulatory Area of the Gulf of Alaska [Docket No. 031126297-3297-01; I.D. 013004B] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7023. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Atka Mackeral in the Bering Sea and Aleutian Islands [Docket No. 031126295-3295-01; I.D. 012904C] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7024. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pacific cod by Vessels Catching Pacific cod for Processing by the Inshore Component in the Central Regulatory Area of theGulf of Alaska [Docket No. 031126297-01; I.D. 013004A] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7025. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic; Trip Limit Increase [Docket No. 001005281-036902; I.D. 012904D] received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7026. A letter from the Director, Faith Based and Community Initiatives Task Force, OAG, Department of Justice, transmitting the Department's final rule — Participating in Justice Department Programs by Religious Organizations; Providing for Equal Treatment of All Justice Department Program Participants [Docket No. OAG 106; AG Order No. 2703-2004] (RIN: 1105-AA83) received February 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7027. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Chemical Testing [USCG-2003-16414] (RIN: 1625-AA80) received February 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7028. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Security Zones; San Francisco Bay, California [COTP San Francisco Bay 03-002] (RIN: 1625-AA00) received February 24, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7029. A letter from the Attorney Advisor, FHA, Department of Transportation, transmitting the Department's final rule — Federal Lands Highway Program; Management Systems Pertaining to the Fish and Wildlife Service and the Refuge Roads Program [FHWA Docket No. FHWA-99-4970] (FHWA RIN: 2125-AE54) received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7030. A letter from the Attorney Advisor, FHA, Department of Transportation, transmitting the Department's final rule — Federal Lands Highway Program; Management Systems Pertaining to the Forest Service and the Forest Highway Program [FHWA Docket No. FHWA-99-4969] (FHWA RIN: 2125-AE55) received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7031. A letter from the Paralegal Specialist, Faa, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 727, 727-100C, 727-200F, and 727C Series Airplanes [Docket No. 2003-NM-191-AD; Amendment 39-13475; AD 2004-03-31] received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7032. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Pacific Aerospace Corporation, Ltd. Models FU24-954 and FU24A-954 Airplanes [Docket No. 2003-CE-38-AD; Amendment 39-13473; AD 2004-03-29] (RIN: 2120-AA64) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7033. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model 717-200 Airplanes [Docket No. 2002-NM-213-AD; Amendment 39-13465; AD 2004-03-21] (RIN: 2120-AA64) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7034. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Fokker Model F.28 Mark 1000, 2000, 3000, and 4000 Series Airplanes [Docket No. 2001-NM-333-AD; Amendment 39-13464; AD 2004-03-20] (RIN: 2120-AA64) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7035. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Dornier Model 328-300 Series Airplanes [Docket No. 2002-NM-267-AD; Amendment 39-13460; AD 2004-03-16] (RIN: 2120-AA64) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7036. A letter from the Attorney Advisor, Federal Highway Administration, Department of Transportation, transmitting the Department's final rule — Contract Administration; Removal of Miscellaneous Obsolete or Redundant Regulations (RIN: 2125-AF01) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7037. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Dassault Model Falcon 2000 and 900EX, and Dassault Model Mystere-Falcon 900 Series Airplanes [Docket No. 2002-NM-231-AD; Amendment 39-13419; AD 2004-01-05] (RIN: 2120-AA64) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7038. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model 717-200 Airplanes [Docket No. 2003-NM-55-AD; Amendment 39-13429; AD 2004-01-15] (RIN: 2120-AA64) received February 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7039. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Effluent Limitations Guidelines and New Source Performance Standards for the Meat and Poultry Products Point Source Category [FRL-7631-2] (RIN: 2040-AD56) received March 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7040. A letter from the Regulations Coordinator, CMS, Department of Health and Human Services, transmitting the Department's final rule — Medicare Program; Revisions to the One-Time Appeal Process for Hospital Wage Index Classification [CMS-1373-N2] (RIN: 0938-AN00) received February 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7041. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Property Transferred in Connection with Performance of Services (Rev. Rul. 2004-37) received February 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7042. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Proposed Revenue Procedure Regarding Services that Qualify For the Student FICA Exception [Notice 2004-12] received February 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7043. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Annuities; Certain Proceeds of Endowment and Life Insurance Contracts [Notice 2004-15] received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7044. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Electronic Payee Statements [TD 9114] (RIN: 1545-AY50) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7045. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Weighted Average Interest Rate Update [Notice 2004-14] received February 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7046. A letter from the Board Members, Railroad Retirement Board, transmitting the Board's Congressional Justification of Budget Estimates for Fiscal Year 2005, pursuant to 45 U.S.C. 231f(f); jointly to the Committees on Appropriations, Transportation and Infrastructure, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Ms. HART (for herself, Mr. MURPHY, and Mr. ENGLISH):

H.R. 3890. A bill to reauthorize the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988; to the Committee on Science.

By Ms. HART:

H.R. 3891. A bill to amend the Internal Revenue Code of 1986 to provide for the use of redevelopment bonds for environmental remediation; to the Committee on Ways and Means.

By Ms. HART:

H.R. 3892. A bill to amend the Internal Revenue Code of 1986 to encourage businesses to establish hazardous waste remediation reserves, and for other purposes; to the Committee on Ways and Means.

By Mr. PAUL (for himself and Mr. BARTLETT of Maryland):

H.R. 3893. A bill to limit the jurisdiction of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. BURNS (for himself, Mr. KELLER, Mr. BOEHNER, Mr. MCKEON, Mr. ISAKSON, Mr. NORWOOD, Mr. WILSON of South Carolina, Mr. CARTER, Mr. FORBES, Ms. GINNY BROWN-WAITE of Florida, and Mrs. NORTHUP):

H.R. 3894. A bill to provide enhanced Pell Grants for State Scholars; to the Committee on Education and the Workforce.

By Mr. ISSA (for himself, Mr. HUNTER, Mr. CUNNINGHAM, Mr. TERRY, Mr. BEREUTER, Mr. FILNER, and Mrs. DAVIS of California):

H.R. 3895. A bill to amend title XIX of the Social Security Act to permit local public agencies to act as Medicaid enrollment brokers; to the Committee on Energy and Commerce.

By Mr. DEMINT (for himself, Mr. AKIN, Mr. BLUNT, Mr. OBERSTAR, Mr. PAUL, Mr. PENCE, Mr. POMEROY, Mr. SHIMKUS, Mr. STEARNS, Mr. WEXLER, and Mr. VAN HOLLEN):

H.R. 3896. A bill to establish an Office of Intercountry Adoptions within the Department of State, and to reform United States laws governing intercountry adoptions; to the Committee on International Relations, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HERGER:

H.R. 3897. A bill to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes; 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. ACEVEDO-VILÁ (for himself, Mr. GUTIERREZ, Mr. SERRANO, Ms. VELÁZQUEZ, and Mr. FILNER):

H.R. 3898. A bill to authorize construction of a new (replacement) medical center for the Department of Veterans Affairs in the Commonwealth of Puerto Rico at a site to be selected pursuant to a study by the Secretary of Veterans Affairs and Secretary of Defense as suitable for a new Federal medical center in the Commonwealth of Puerto Rico that would best serve the needs of both veterans and Department of Defense medical beneficiaries in Puerto Rico; to the Committee on Veterans' Affairs.

By Mr. BOSWELL:

H.R. 3899. A bill to require agencies to submit to Congress any contracts in amounts greater than $1,000,000 that are proposed to be awarded using noncompetitive procedures; to the Committee on Government Reform, and in addition to the Committees on Armed Services, and Rules, 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 Mrs. CAPPS:

H.R. 3900. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities for the GREAT project to reclaim, reuse, and treat impaired waters water in the area of Oxnard, California; to the Committee on Resources.

By Mr. CRANE (for himself, Mr. SAM JOHNSON of Texas, Mr. CANTOR, Mr. RAMSTAD, Mr. HOSTETTLER, Mr. RYAN of Wisconsin, Mr. BRADY of Texas, Ms. DUNN, Mrs. JOHNSON of Connecticut, Mr. HAYWORTH, Mr. MCINNIS, Mr. HERGER, Mr. ENGLISH, Mr. GUTKNECHT, Mr. WILSON of South Carolina, Mr. BALLENGER, Mr. PAUL, Mr. RYUN of Kansas, Mr. GREEN of Wisconsin, Mr. BURGESS, Mr. PETERSON of Pennsylvania, Mrs. BLACKBURN, Mr. CANNON, Ms. HARRIS, Mrs. MUSGRAVE, Mr. BASS, Mr. HUNTER, Mr. KLINE, Mr. BEAUPREZ, Mr. HENSARLING, Mr. BARRETT of South Carolina, Mr. WELDON of Florida, Mrs. MYRICK, Mr. KING of Iowa, Mr. FRANKS of Arizona, Mr. BARTLETT of Maryland, Mr. GINGREY, Mr. ISTOOK, Mr. MILLER of Florida, Mr. PITTS, Mr. FLAKE, Mr. JONES of North Carolina, Mr. GOODE, and Mr. FEENEY):

H.R. 3901. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums for high deductible health plans required with respect to health savings accounts; to the Committee on Ways and Means.

By Mr. GARRETT of New Jersey (for himself, Mr. FRELINGHUYSEN, and Mr. FERGUSON):

H.R. 3902. A bill to amend the Wild and Scenic Rivers Act to designate portions of the Musconetcong River in the State of New Jersey as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Resources.

By Mr. GILLMOR (for himself, Mr. ROSS, Mr. PITTS, Mr. HALL, Mr. LATHAM, Mr. OXLEY, Mr. GOODE, Mr. SOUDER, Mr. REGULA, Mr. LIPINSKI, Mrs. MALONEY, Mr. DAVIS of Tennessee, Mr. TOWNS, Mr. ISRAEL, Mr. BERRY, Mr. WOLF, and Mr. JENKINS):

H.R. 3903. A bill to establish a program to award grants to improve and maintain sites honoring Presidents of the United States; to the Committee on Resources.

By Mr. KIND (for himself, Mrs. EMERSON, Mr. SCHIFF, and Mr. PETRI):

H.R. 3904. A bill to amend the Richard B. Russell National School Lunch Act to establish pilot projects to support and evaluate the provision of before-school activities that advance student academic achievement and encourage the establishment of, and increase participation in, school breakfast programs; to the Committee on Education and the Workforce.

By Mr. LARSON of Connecticut (for himself and Ms. DELAURO):

H.R. 3905. A bill to amend part C of title XVIII of the Social Security Act to prohibit the operation of the Medicare comparative cost adjustment (CCA) program in Connecticut; to the Committee on Energy and Commerce, 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 Mrs. MILLER of Michigan (for herself and Mr. KNOLLENBERG):

H.R. 3906. A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Ukraine; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 3907. A bill to authorize the Secretary of Transportation to transfer to the Administrator of the National Highway Traffic Safety Administration a certain percentage of apportionments of funds made available from the Highway Trust Fund from States that do not enact laws to prohibit driving under the influence of an illegal drug, and for other purposes; to the Committee on Transportation and Infrastructure, 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. RYAN of Ohio:

H.R. 3908. A bill to provide for the conveyance of the real property located at 1081 West Main Street in Ravenna, Ohio; to the Committee on Education and the Workforce.

By Mr. RYUN of Kansas (for himself, Mr. TIAHRT, Mr. MORAN of Kansas, and Mr. MOORE):

H.R. 3909. A bill to establish the Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area, and for other purposes; to the Committee on Resources.

By Mr. STUPAK:

H.R. 3910. A bill to amend the Transportation Equity Act for the 21st Century to modify a high priority project in the State of Michigan; to the Committee on Transportation and Infrastructure.

By Ms. WATERS:

H.R. 3911. A bill to make certain companies that have outsourced jobs during the previous five years ineligible for the receipt of Federal grants, Federal contracts, Federal loan guarantees, and other Federal funding, and for other purposes; to the Committee on Government Reform.

By Mr. SMITH of New Jersey (for himself, Ms. LORETTA SANCHEZ of California, Mr. TOM DAVIS of Virginia, Ms. LOFGREN, Mr. ROHRABACHER, Mr. ROYCE, Mr. COX, Mr. BURTON of Indiana, Ms. ROS-LEHTINEN, Mr. GREEN of Wisconsin, Mr. AKIN, Mr. PITTS, Mr. SHIMKUS, Mr. FRANKS of Arizona, Mr. KENNEDY of Rhode Island, Mr. FRANK of Massachusetts, Mr. MCGOVERN, Mr. VAN HOLLEN, Mr. MORAN of Virginia, Mr. LANGEVIN, Ms. JACKSON-LEE of Texas, Mr. BERMAN, Ms. MCCARTHY of Missouri, and Mr. WEXLER):

H. Con. Res. 378. Concurrent resolution calling on the Government of the Socialist Republic of Vietnam to immediately and unconditionally release Father Thaddeus Nguyen Van Ly, and for other purposes; to the Committee on International Relations.

By Mr. PETRI (for himself, Mr. OBEY, Mr. SENSENBRENNER, Mr. KLECZKA, Mr. KIND, Ms. BALDWIN, Mr. GREEN of Wisconsin, and Mr. RYAN of Wisconsin):

H. Con. Res. 379. Concurrent resolution commemorating the 150th anniversary of the first meeting of the Republican Party in Ripon, Wisconsin; to the Committee on Government Reform.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Ms. WATERS introduced a bill (H.R. 3912) for the relief of Rafael Camacho, Rosa B. Camacho, and Rosa Camacho; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 104: Mr. WEXLER.

H.R. 173: Mr. BOEHLERT, Mr. SABO, and Mr. GEPHARDT.

H.R. 218: Mr. AKIN.

H.R. 331: Mrs. JO ANN DAVIS of Virginia.

H.R. 339: Mr. CARDOZA and Mr. STENHOLM.
H.R. 391: Mr. PEARCE and Mr. BRADLEY of New Hampshire.
H.R. 463: Mr. TURNER of Ohio.
H.R. 525: Mr. ACEVEDO-VILÁ, Mr. ANDREWS, Ms. BORDALLO, Mr. BOUCHER, Mr. DINGELL, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. GEPHARDT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KLECZKA, Mr. LARSEN of Washington, Mr. LYNCH, Mr. MILLER of North Carolina, Mr. MOLLOHAN, Mr. MURTHA, Ms. NORTON, Mr. PASTOR, Ms. SOLIS, Mr. STARK, Ms. VELÁZQUEZ, Mr. VISCLOSKY, Mr. ADERHOLT, Mr. AKIN, Mr. BACHUS, Mr. BAKER, Mr. BALLENGER, Mr. BARRETT of South Carolina, Mr. BASS, Mr. BEAUPREZ, Mr. BEREUTER, Mr. BISHOP of Utah, Mrs. BLACKBURN, Mr. BLUNT, Mr. BOEHLERT, Mr. BOEHNER, Mr. BONNER, Mrs. BONO, Mr. BRADLEY of New Hampshire, Mr. BROWN of South Carolina, Mr. BURGESS, Mr. BURNS, and Mr. BURR.
H.R. 584: Mr. LAMPSON, Mr. HALL, and Mr. JOHNSON of Illinois.
H.R. 588: Mr. MARKEY.
H.R. 736: Mr. SHERMAN.
H.R. 839: Mrs. KELLY, Mrs. DAVIS of California, Mr. SMITH of New Jersey, Mr. BLUMENAUER, and Mr. HYDE.
H.R. 857: Mr. FORBES.
H.R. 876: Mr. WATT and Mr. BRADY of Pennsylvania.
H.R. 962: Mr. LYNCH.
H.R. 1005: Mr. ENGLISH.
H.R. 1051: Mr. GEORGE MILLER of California.
H.R. 1052: Ms. ROS-LEHTINEN.
H.R. 1083: Mr. MEEHAN and Mr. MCGOVERN.
H.R. 1084: Mr. WAMP.
H.R. 1097: Mr. RUSH and Mr. HASTINGS of Florida.
H.R. 1336: Mr. PRICE of North Carolina, Mr. WATT, Mr. MICA, and Mr. UDALL of New Mexico.
H.R. 1482: Ms. LEE.
H.R. 1534: Mr. HONDA.
H.R. 1776: Mr. TERRY.
H.R. 1991: Ms. SLAUGHTER.
H.R. 2096: Mr. WOLF, Mr. LIPINSKI, and Mrs. BONO.
H.R. 2154: Mr. SANDERS.
H.R. 2182: Mr. GOODE.
H.R. 2346: Mrs. MUSGRAVE, Mr. KING of Iowa, Mr. FEENEY, and Mr. AKIN.
H.R. 2394: Mr. MORAN of Virginia, Mr. LARSEN of Washington, Mr. BALLANCE, and Mr. RAMSTAD.
H.R. 2671: Mr. HALL.
H.R. 2797: Mr. GOODLATTE.
H.R. 2824: Mr. HALL, Mr. TURNER of Texas, and Mr. HOLDEN.
H.R. 2839: Mrs. JOHNSON of Connecticut and Mr. MICHAUD.
H.R. 2850: Mr. SMITH of Washington.
H.R. 2890: Mr. SIMPSON.
H.R. 2915: Mr. NORWOOD.
H.R. 2928: Mr. MORAN of Kansas.
H.R. 2932: Mr. EVANS and Mr. STARK.
H.R. 2949: Mr. MCDERMOTT.
H.R. 2983: Mr. MATHESON.
H.R. 3115: Mr. TERRY.
H.R. 3173: Mr. MCDERMOTT.
H.R. 3194: Mr. PRICE of North Carolina.
H.R. 3213: Mr. CRENSHAW, Mr. DEAL of Georgia, Mr. GREEN of Wisconsin, and Mr. BARRETT of South Carolina.
H.R. 3215: Mr. BALLENGER, Mr. OTTER, Mr. REHBERG, Mr. SIMPSON, and Mr. YOUNG of Alaska.
H.R. 3246: Mr. KINGSTON.
H.R. 3307: Mr. MCINNIS.
H.R. 3329: Mr. COX.
H.R. 3416: Ms. CARSON of Indiana.
H.R. 3446: Mr. KLECZKA, Mr. LEVIN, Mr. ABERCROMBIE, Ms. WOOLSEY, Mr. COSTELLO, and Mr. STARK.
H.R. 3545: Mr. HONDA.
H.R. 3550: Ms. ROYBAL-ALLARD.
H.R. 3598: Mr. SHIMKUS.
H.R. 3658: Mr. LINCOLN DIAZ-BALART of Florida.
H.R. 3661: Mr. BURR, Mr. BALLENGER, Mrs. MYRICK, Mr. HUNTER, Mr. COBLE, Mr. JONES of North Carolina, Mr. GOODE, Mr. WILSON of South Carolina, Mr. SHERWOOD, and Mr. ETHERIDGE.
H.R. 3687: Mr. BOYD, Mr. STENHOLM, Mr. RAMSTAD, and Mr. HALL.
H.R. 3711: Mr. MCDERMOTT.
H.R. 3717: Mr. KLINE, Mr. STENHOLM, and Mr. KING of Iowa.
H.R. 3719: Mr. MORAN of Virginia, Mrs. CAPPS, Mrs. NAPOLITANO, Mr. BERMAN, Mr. STARK, and Ms. NORTON.
H.R. 3763: Mr. MARIO DIAZ-BALART of Florida, Mr. PASCRELL, and Ms. BALDWIN.
H.R. 3793: Mr. GONZALEZ and Mr. BILIRAKIS.
H.R. 3796: Mr. ROGERS of Kentucky, Mr. WHITFIELD, Mr. LEWIS of Kentucky, Mrs. NORTHUP, Mr. LUCAS of Kentucky, and Mr. CHANDLER.
H.R. 3833: Mr. DELAHUNT.
H.R. 3854: Mr. PAUL and Mr. DUNCAN.
H.R. 3857: Mr. AKIN, Mr. KENNEDY of Minnesota, and Mr. HENSARLING.
H.R. 3858: Mr. DOGGETT, Ms. JACKSON-LEE of Texas, Mr. RUPPERSBERGER, Mr. COSTELLO, Mr. ABERCROMBIE, Mr. TURNER of Texas, Mr. WAXMAN, Mr. MCDERMOTT, Mr. KILDEE, Mr. HINOJOSA, Mr. PALLONE, Mr. MEEHAN, Mr. MARKEY, Mr. QUINN, Mr. LAMPSON, Mrs. JO ANN DAVIS of Virginia, Mr. WOLF, Mr. WALSH, Ms. ROS-LEHTINEN, Ms. SCHAKOWSKY, Mr. ACKERMAN, Mr. ROSS, Mr. HINCHEY, Mr. FOLEY, Mr. JENKINS, Mr. LEACH, Mr. HOLT, Mr. PASCRELL, Mrs. NAPOLITANO, Mr. MORAN of Virginia, Mr. VITTER, Ms. BERKLEY, Mr. CLAY, Mr. HILL, Mr. EMANUEL, Mr. CHABOT, Mr. HOEFFEL, Mr. BACHUS, Mr. TIBERI, Mr. KENNEDY of Rhode Island, Mr. PAUL, and Mr. MURPHY.
H.R. 3881: Mr. HONDA, Mr. FORD, Mr. DAVIS of Florida, Mr. KIND, and Ms. BALDWIN.
H. Con. Res. 3: Ms. WATSON, Mr. HALL, Mr. HASTINGS of Florida, Mr. BALLANCE, and Ms. CORRINE BROWN of Florida.
H. Con. Res. 15: Mr. FEENEY and Mr. MANZULLO.
H. Con. Res. 111: Ms. SLAUGHTER and Mr. SANDERS.
H. Con Res. 119: Ms. BERKLEY.
H. Con. Res. 332: Mr. LANGEVIN, Mr. CRANE, Mr. JACKSON of Illinois, Ms. PELOSI, and Mr. SHERWOOD.
H. Con. Res. 364: Mrs. MILLER of Michigan and Mr. REHBERG.
H. Con. Res. 371: Mr. FORBES, Mr. ANDREWS, and Mr. BRADLEY of New Hampshire.
H. Con. Res. 372: Ms. CORRINE BROWN of Florida, Ms. JACKSON-LEE of Texas, Mr. WYNN, Mr. WEXLER, and Mrs. JONES of Ohio.
H. Con. Res. 374: Mr. HAYES, Mr. SNYDER, Mr. BARTLETT of Maryland, Mr. BRADLEY of New Hampshire, Mr. GUTKNECHT, Mr. GOODE, Mr. HOSTETTLER, Mrs. MYRICK, Mr. FRANKS of Arizona, Mr. WILSON of South Carolina, and Mr. GINGREY.
H. Con. Res. 375: Mr. SHERWOOD and Mr. DAVIS of Tennessee.
H. Res. 402: Mr. RYUN of Kansas and Mr. MORAN of Kansas.
H. Res. 516: Mr. GREEN of Wisconsin and Mr. SHERWOOD.
H. Res. 528: Mr. SHIMKUS, Mr. BELL, Mr. NEY, Mr. STARK, Mr. MEEKS of New York, Mr. TOWNS, Mr. CROWLEY, Mr. EVANS, Ms. JACKSON-LEE of Texas, Mr. PASTOR, Mr. ABERCROMBIE, Ms. LEE, Mr. ROHRABACHER, Mr. PAYNE, and Mr. CARDOZA.
H. Res. 543: Ms. ROYBAL-ALLARD, Mr. BERMAN, Mr. TANNER, Mr. LAMPSON, and Mr. GORDON.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 2, by Mr. JIM MARSHALL on House Resolution 251: Ben Chandler.

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PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

Vol. 150 WASHINGTON, THURSDAY, MARCH 4, 2004 No. 27

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.

Infinite Spirit, generous giver of life's joys, from Your vantage point of eternity look afresh into our time. Teach us to serve You as we should. Forgive us for our waste of time and opportunity. Forgive us, also, when we fail to see Your glorious image in humanity or the opportunities to please You by empowering those on life's margins. Thank You for showing us that in setting the captives free we do Heaven's work on Earth. Remind us that it is in giving that we receive, and through dying to self that we are born to eternal life.

Today, use Your Senators as servants of Your kingdom. Help each of us to be honest with ourselves and with one another. We pray this in Your sovereign 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 ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. SUNUNU. Mr. President, this morning the Senate will conduct a period of morning business until 10:30 a.m., with the first half of the time under the control of the Democratic leader or his designee and the second half allotted to the majority leader or his designee.

At 10:30, the Senate will resume consideration of S. 1637, the FSC/ETI bill. When the Senate resumes the bill, the Dodd amendment on outsourcing will be the pending business. A number of Senators have expressed an interest in speaking on the amendment, and it is the leader's expectation that a second-degree amendment will be offered to the Dodd amendment this morning.

For the remainder of the day, we will continue to work through amendments to the bill. Under the previous order, following the disposition of the Dodd amendment, the Senate will take up an amendment by Senator BUNNING which would accelerate manufacturing-sector tax cuts. Rollcall votes are possible during today's session, and Senators will be notified when the first vote is scheduled.

Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Democratic leader is recognized.

CHALLENGES FACING THE UNITED STATES IN THE WESTERN HEMISPHERE

Mr. DASCHLE. Mr. President, later this week, President Bush will host Mexican President Vicente Fox for 2 days of meetings in Texas.

Three years ago, in the months after President Fox's historic election ended seven decades of one-party rule, we were all very hopeful that the United States and Mexico were prepared to move beyond decades of mistrust and miscommunication.

In the aftermath of 9/11, the Bush administration chose to relegate improved relations with our neighbor to the bottom of its priority list, unfortunately.

The meeting this week represents a long overdue but welcome step toward regaining the lost momentum in United States-Mexico relations.

I hope the President will use the renewed public focus on Mexico this week not just for a photo opportunity but also to revive the administration's efforts to address many of the pressing challenges throughout this hemisphere.

The need for such a revival is clear. Early last month Secretary Powell told a House committee that the United States ''had higher priorities'' than Latin America. The fact that the United States has important priorities in the rest of the world is indisputable.

Hundreds of thousands of our young men and women are deployed throughout the Middle East. North Korea is adding to its nuclear capability, and the proliferation of weapons of mass destruction presents us with a chilling specter that terrorist groups could get their hands on the world's worst weapons.

But the sad truth is that we do not have the luxury of worrying only about the crises of the day. If we fail to attend to emerging threats today, they will quickly become tomorrow's crises. Rather than relying on diplomatic means, we will be forced into a situation so dire that only the deployment of U.S. troops—already stretched far too thinly—can stabilize the situation. For an example of this phenomenon, we need look no further than recent events in our own hemisphere.

Statements from administration officials leave the impression that the administration was caught off guard and unprepared to respond to the evolving crisis in Haiti, just 600 miles off the coast of Florida.

On February 17, Secretary Powell had this to say about Haiti:

> We cannot buy into a proposition that says the elected president must be forced out of office by thugs and those who do not respect law.

But just over a week later, the White House released a statement that said:

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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This long-simmering crisis is largely Mr. Aristide's making. . . . We urge him to examine his position carefully, to accept responsibility, and to act in the best interests of the people of Haiti.

The administration's initial lack of attention and subsequent response left us with no policy levers to pull and no Haitian institutions to call upon to quell the crisis. In that situation—faced with violence and instability that threatened to lead to a refugee crisis—we deployed American Marines.

Emerging crises in the rest of the hemisphere are potentially as dire, but the administration still appears no more engaged.

Take, for example, Venezuela. Political turmoil and mismanagement have had a serious and adverse impact on economic growth in that country. In 2003, real GDP shrank by nearly 10 percent—after contracting 9 percent the year before—and inflation was the region's highest at 27.1 percent. All of this in a country that has the largest oil reserves outside the Middle East—providing the United States 14 percent of its oil—and increasingly sizable natural gas stores.

Moreover, slow economic growth may be the least of Venezuela's problems. The country is caught in a political crisis over a recall referendum that could bring the Chavez government to an abrupt end.

The situation was exacerbated by clear missteps on the part of the administration in April of 2002, when the administration overturned decades of American policy in the hemisphere by seeming to endorse, however briefly, an unconstitutional change of government. Former President Carter has done us proud by stepping in to pick up the pieces in order to ensure that the problems of this democracy can be resolved democratically.

But with deepening polarization and new developments in Venezuela each day, there is no substitute for official American leadership in pushing for the respect of democratic institutions over personalities and power.

As in Haiti, if we wait for others to take the lead in Venezuela, we will have waited too long.

There are other emerging threats to stability and democracy in the region—from Peru to Bolivia to Argentina. Economic growth is down, poverty and drug trafficking are increasing, and corruption is rampant.

Perhaps most alarming are observations from recent public surveys that anti-Americanism is approaching all-time highs while respect for democracy is reaching an all-time low.

Such a precarious time demands engagement and leadership from America. Instead, the administration has decided to limit American investments in the region this year, arguing, as I noted, that we have other priorities.

As one leading expert pointed out:

Relations between the United States and Latin America have acquired a rawness and a level of indecorum that recall previous eras of inter-America strain and discord.

It is not too late, and I hope the meeting tomorrow in Texas marks the administration's renewed interest in the hemisphere. If it does, we are prepared to work with the President and our friends in Mexico and in Argentina and in Venezuela and in Peru and in Bolivia, and in Colombia to build the institutions needed for peace, prosperity, and stability.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SUNUNU). The clerk will call the roll.

Mr. REID. Will the Senator withhold?

Mr. DASCHLE. I will.

The PRESIDING OFFICER. The assistant minority leader.

ORDER OF PROCEDURE

Mr. REID. Mr. President, on our side, we have requests for 15 minutes and 20 minutes for morning business. I checked with the majority. There would be no objections so long as they have equal time. So I ask unanimous consent that both sides have 35 minutes for morning business this morning.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, on the minority side, we yield 20 minutes to the Senator from Connecticut, Mr. LIEBERMAN; and then, following that, 15 minutes to the Senator from Iowa, Mr. HARKIN.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business with 35 minutes for each side equally divided, the first half of the time under the control of the Democratic leader or his designee, the second half of the time under the control of the majority leader or his designee.

Under the request of the assistant minority leader, the Senator from Connecticut is recognized.

REFLECTIONS FROM CAMPAIGN EXPERIENCE

Mr. LIEBERMAN. I thank my friend and colleague from Nevada.

Mr. President, it is now more than a month since I ended my quest for the Democratic nomination for President. It was a thrilling, demanding, purposive journey across this great country. I am deeply grateful for the opportunity I had. I learned a lot. In fact, I would recommend anyone who has the opportunity try it at least once in a lifetime. But today I want to share with my colleagues a few serious reflections from my campaign experience about the current state of our politics and the way they may affect our work here in this election year on the great questions of our economy and our security, particularly in Iraq.

It is now clear who the Presidential nominees of the major parties will be: President Bush and Senator KERRY. Therefore, it is time for members of both parties to start thinking and talking about how we want the national campaign to be conducted at this uniquely difficult and dangerous moment in American history.

For the United States, this is a very good time, but it is also a very difficult time. We have the largest economy and the strongest military in the world. Our core values of freedom and opportunity are ascendent around the globe. In so many ways here at home we live better than any people ever have because of the truly amazing advances in medical science, telecommunications, information technology, and transportation. However, these advances and the globalization they have facilitated have also brought painful changes for millions of Americans in lost jobs, declining income, skyrocketing health care costs, and a fear of what the future may bring.

On top of that, we face an unprecedented new challenge to our security and our freedom from fanatical Islamic terrorists who brutally attacked us and our homeland on September 11, 2001.

These two new realities have made the American people more anxious about their future, as I met them during this last year, than I have ever seen them before. Our confidence and our optimism must be restored. How best to do that and who can best do that is ultimately what this year's Presidential campaign is all about. Ideally, the campaign will raise our hopes, not deepen our insecurities; it will unite us, not divide us; it will strengthen us, not weaken us; it will create an environment in which our Government, including this Congress, will produce relief for some of what ails America, hopefully this year. But I can't say I am optimistic that any of these ideals will be achieved because of the rigid and reflexive partisanship that has come to dominate so much of our politics.

Warnings about factionalism are, of course, as old as our Republic, but they seem especially relevant and necessary today, when strategists from both major parties seem poised to seek electoral victory by inflaming their inner constituencies with ideological tinder and brutal personal attacks on the other party's candidates. That will only divide us more deeply and make it more difficult for us to overcome the enormous threats to our security and our prosperity.

Our political parties and Presidential candidates must find ways to differ without being destructive, to debate

without demonizing, to put our national interests ahead of special interests, to take the long view rather than the most politically expedient short view, to rise above partisan politics, to put America first.

I know the conventional wisdom is that in an election year, the breakthrough in our politics and Government I am calling for is unlikely to occur. But I also know there have been many times in our history when the proximity of an election has induced exactly the kind of leadership and consensus building that produce progress in our democracy. Congress passed and previous Presidents signed the Federal Highway Aid Act in 1956, the Civil Rights Act in 1964, the Equal Employment Opportunity Act in 1972, and welfare reform in 1996. These were all landmark pieces of legislation that required and received bipartisan cooperation in an election year.

Let us hope we can produce similar progress this year. Let us work together to lower the crushing price of health care, to develop and implement a plan to stop the bleeding of American manufacturing and service jobs, to restore fiscal responsibility to the Federal budget, to reduce the growing number of poor people in our country, to address the real threat of global warming, and to reassure the American people that we understand their anger at the contemporary culture which too often undercuts their traditional values of faith and family, of right and wrong. Let us hope we can work effectively toward those goals.

There is one area of challenge that demands more than hope, where we simply cannot afford to allow campaign-year politics to take over until after election day. That is the current crisis in Iraq.

We are at war. The lives of more than 100,000 American troops are on the line in Iraq. So, too, is the fulcrum of our present and future national security. Yes, there is violence and bloodshed, sadly, elsewhere in the world, but the impact Iraq will have on our future security and our prospects for victory in the wider war against terrorism is of the greatest magnitude. It has no equal in the world today. Our politics must catch up with that reality.

I recognize the differences of opinion about why and how we went to war in Iraq. I know they run deep and they run wide. As for myself, I remain a strong supporter of the war that removed Saddam Hussein. Yes, I have criticized the administration for some of its policies, both before and immediately after the war. But I believe deeply we cannot allow arguments about past policy to stop us from finding common ground to face the present threats in Iraq. We cannot refight the last war in Iraq against Saddam with such ferocity that we falter in fighting the terrorist insurgents that threaten Iraq and us right now.

The days between now and our election day in November will be critical days for Iraq, as sovereignty is returned to the Iraqi people and they prepare for what we hope will be their own historic election day in December. Unless the security situation in Iraq improves dramatically, that election day may not come. The fact is, as the newspapers and media have told us in the last 2 days, there is danger in Iraq. One hundred and eighty-five people were killed on Tuesday by suicide bombings. These are threats not just to the lives and security of the Iraqi people, but they present the staggering prospect of civil war in Iraq. Together with the Iraqi people and our coalition partners, we are going to need to make critical decisions and take strong, difficult, tough actions in the upcoming weeks and months to maintain security in that country.

To do so, we here at home must transcend the partisan reflex rancor that has become the norm in American politics.

The consequences of failure in Iraq are staggering. The fact that the battle has been joined in Iraq—the historic battle between security and terror, between freedom and tyranny.

Iraq is a critical battleground now in our larger war against terrorism because the fact is that members of the same Jihadist movements that killed nearly 3,000 Americans on September 11, 2001, are now fighting alongside Saddam loyalists, systematically targeting and murdering Americans and Iraqis for working so hard to build a secure, new civil society in that country.

If we fail to stop these insurgents and lose the peace in Iraq, the Iraqi people will be condemned to chaos and relentless violence. The Middle East will be destabilized. The forces of worldwide terrorism will gain new confidence, energy, and resources to attack us.

On the other hand, establishing a stable democratizing, modernizing Iraq would be a major victory in our battle with the terrorists and our struggle to bring hope to the majority of Muslims in the world, who clearly desire peace, not war. It will show them a better way to a better future than the hatred and death that the fanatics of al-Qaida and their ilk preach. It will bring about much greater stability and opportunity throughout the Middle East.

In the weeks ahead, I intend to speak in more detail about how together we can accomplish these critical American goals. But for today, I want to concentrate on how best we can separate the challenges to us in Iraq from this Presidential campaign.

There are significant differences of opinion, clearly, between the Presidential candidates, President Bush and Senator KERRY, about our past policies in Iraq. But I don't see significant differences between them about the need to successfully finish what we have started there. Both have asserted that we must not cut and run from Iraq. We cannot allow the politics of this campaign to obscure or block that agreement, that commitment to finish our mission.

We must recapture the spirit of bipartisanship and national purpose we achieved following the September 11 attacks. It is that important. For Democrats, that doesn't mean that all debate about the war must stop. But I believe it does mean we must focus on how best to win the war we are engaged in now against terrorist insurgents. Only questioning how and why we got into the last war against Saddam is simply not enough. Doing only that is not acceptable anymore.

For the President, his party, it means not politicizing the conduct of the war in any way. As Commander in Chief, the President has a special responsibility to focus on winning the war, even in this election year—perhaps most particularly at this time.

In the months ahead, the President must make tough decisions necessary to bring security to Iraq and a better life to Iraqis, regardless of the political consequences at home because that is what will best serve America's values and security.

The fact is, both parties and our leaders must reach out to each other—difficult as that is in an election year, but it is necessary at this moment—to find a common ground that will secure our common future.

Mr. President, it is reassuring to look back across American history and find that at some of our most difficult times our predecessors in positions of power in the American Government have made sure that partisan politics ended at our Nation's borders.

Following the Second World War, for example, leaders in Congress and the White House forged a bipartisan foreign policy to combat communism. It lasted half a century and brought us to victory in the cold war. During that time, the best of our elected officials no longer saw themselves just as Democrats or Republicans. They saw themselves as Americans fighting a common enemy.

Our times demand from us that same spirit of surpassing bipartisanship in the war against terrorism, for obviously the terrorists do not distinguish among us based on our party affiliations. Each of us is their enemy because we are all Americans, so we Democrats and Republicans must, therefore, in this campaign year, see beyond the red States and the blue States to a larger cause that is as critical to the red, white, and blue as any America has ever fought for.

It is the cause of defeating Jihadist terrorists who hate us and our free and tolerant ways of life more than they love life itself, and who would, if we allow them, plunge this modern world into a primitive global religious war. For the sake of our children's futures, for the sake of America's core values, for the sake of world peace, we cannot allow that to happen.

I am a proud member of the Democratic Party and, as such, I will work for a Democratic victory in the elections this fall. I know my Republican

colleagues in this Chamber will work just as hard for a Republican victory. But during this time of war, we each must make certain that our party loyalties do not prevail over our national responsibilities.

As important as a partisan victory is to each of us, it cannot be more important than a victory over terrorism for all of us, a victory that will enable the American people to feel secure again at home, that will enable our soldiers to return from Iraq, that will enable the Iraqi people to enjoy the blessings of liberty, which it is America's historic mission to advance and defend.

A final word. On November 2 of last year, PFC Anthony D'Agostino of Waterbury, CT, was killed in Iraq. A few weeks later, I received a note from Anthony's father, Steven. I read this paragraph from it:

> Please continue to support all our men and women in uniform. Please support our Commander in Chief in his resolve to obtain his objectives. Please keep America the true leader of peace in the world. Tony was our only son, our only legacy. Although this was a great loss to our family, we wish you godspeed in making the world a safer place.

The quiet, selfless strength and patriotism of the D'Agostino family have been echoed for me in other voices I have met throughout America during the last year. We must hear those voices through the sound and fury of the coming national campaign. We must assure them by our words and our deeds that we have our priorities right, that we will come together in this election year across party lines to protect their sons and daughters, to make certain that America will remain the true leader of peace and freedom in the world, and to achieve a better life for all of our people at home.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa is recognized, under the time controlled by the Democratic leader or his designee, 17 minutes.

THE SITUATION IN HAITI

Mr. HARKIN. Mr. President, I want to take a few minutes this morning to address the issue of Haiti and the events that occurred there over the last few weeks. Haiti, a country, as colleagues know, is just off the coast of Florida. Sunday morning, the democratically elected president of Haiti, Jean-Bertrand Aristide, was forced to leave office and his country on a U.S. aircraft. The armed rebellion, led by former members of the Haitian army, which I point out to colleagues was disbanded by President Aristide in 1994, and members of the paramilitary right-wing group called FRAPH, made it impossible for the Aristide government to maintain law and order.

Unfortunately, President Aristide had little choice but to leave office, as the U.S. and international community made it very clear to him they would do nothing to protect him from the armed thugs and convicted murderers who had taken over most of the major cities in Haiti and terrorized and killed many people.

I point out to my colleagues that President Aristide's departure is hardly a voluntary decision to leave. I had several communications with President Aristide, high-ranking members of our administration, and other Members of Congress over the weekend.

On Monday, I had a very lengthy conversation with President Aristide, who had called me from the Central African Republic. I was very disturbed about reports that were circulating that he had been forcibly removed from the President's palace, put on an aircraft, and flown out of Haiti. Some of this now has been talked about in terms of whether or not he was at gunpoint or how was he forced out.

The administration is taking the position that he voluntarily resigned and got on the aircraft and they flew him out of the country. There are others who are saying that perhaps he was forced out at gunpoint.

After my long conversation with President Aristide on Monday afternoon, I am convinced of at least three things. One, President Aristide was not put in handcuffs. He was not marched at the end of a rifle and told to get on the airplane or they would shoot him. No, that did not occur. So in that contextual framework he was not ''forced,'' ''abducted,'' or ''kidnapped'' out of the country.

On the other hand, during the late afternoon of Saturday, after I had spoken with him, in the evening hours of that same Saturday, he was contacted by our ambassador in Haiti who, according to Mr. Aristide, told him he had basically three options: He could stay in Haiti and be killed and thus precipitate a bloodshed that might cost thousands of lives because we would do nothing to protect him from the armed thugs and the killers; secondly, he could leave with bloodshed, that is, he could leave after precipitating a crisis that might cost thousands of lives; or he could leave without bloodshed.

Confronted with those options, if a President such as Aristide, who is democratically elected, leaves, is that voluntary? As Congressman RANGEL said yesterday in a hearing: Under a threat to his life, Mr. Aristide had little choice but to sign a resignation letter. I would have signed one, too, Congressman RANGEL said.

That is the essence of what happened. Our Government basically left Mr. Aristide, a democratically elected President, with no options. Either leave with bloodshed or leave without bloodshed, but in either case he was leaving.

As President Aristide told me, he had an obligation to the Haitian people. He did not want to see bloodshed. He did not want to see thousands of innocent people killed. So, therefore, under that kind of duress he was forced to leave.

I was asked why the United States did not honor the Santiago treaty in 1991 signed by the United States, which clearly states that any government democratically elected in the Western Hemisphere that seeks the support of other Organization of American States member nations, when threatened with an overthrow, will be assisted? That agreement was signed by the first President Bush in 1991.

I point out a couple of things. When President Aristide was first elected in 1990, he served for a total of about 8 months, from about January through August of 1991, and then was overthrown by a military coup.

What did the first President Bush administration do? Absolutely nothing. They let the military take over and throw out a democratically elected President, at the same time that the first President Bush was signing the Santiago Resolution saying we would come to the assistance of a democratically elected government in our hemisphere if they were threatened with an overthrow.

Then President Clinton came to office the following year and we restored President Aristide to office. He had about 1 year left, because he agreed that the 3 years he spent in exile would count toward his 5-year tenure. Under the Constitution of Haiti, a President cannot succeed himself. Mr. Aristide agreed that he would abide by the constitution.

So when he came back to Haiti, he served about 1 more year and then elections were held in 1995 and he did not run, of course, because the Constitution would not let him do so. During the year he was back in Haiti, he did one significant thing. He disbanded the Haitian Army, the army that had been used for probably as much as 100 years to repress and suppress the people of Haiti. The Army had been used by one dictator after another to suppress the legitimate aspirations of the Haitian people.

After he had done that, he called me up. I remember that phone call very well when President Aristide called and said he was soon to leave office and had decided to disband the Haitian Army. I remember him telling me he did it for a couple of reasons.

President Aristide told me that Haiti did not need a military. The military had been used to repress the people. No one is going to invade us. He said they wanted to be like Costa Rica, that did not have an army and they did not need one.

Secondly, he said the military in Haiti did nothing but repress people. The military had been using up about half of the GDP of Haiti to pay for these military thugs.

Well, guess who is leading the insurgency against Aristide now? Former leaders of the old Haitian military, many of whom had left the country, at least one of whom had been Chamblain. He had been convicted in absentia because he fled the country. He had been

convicted of at least two murders, one of Guy Malary, who was a Justice Minister assassinated on the steps of the justice building in broad daylight by Mr. Chamblain and his thugs.

Mr. Chamblain, who was convicted in absentia of murder, is now one of the rebel leaders in Haiti. Guy Philippe who we keep seeing on television, is also a rebel leader. Amnesty International said he had turned a blind eye to many extrajudicial killings and murders committed by police under his command.

Well, I hope and trust that we do not support these people. I noticed in the hearing the other day in the House, Mr. Noriega, the Assistant Secretary of State for Western Hemisphere, said we did not support the violent overthrow of that man, referring to Mr. Aristide.

Well, I am sorry, Mr. Noriega, you are wrong. The United States aided and abetted, in more ways than one, the overthrow of a democratically elected government. We need some investigations.

What happened to all of the arms that we sent to the Dominican Republic in the last couple of years to patrol the border between the Dominican Republic and Haiti for drug smuggling? Reports are coming out that many of these arms we sent down there are now in Haiti in the hands of these killers and thugs: flack jackets, helmets, rifles, night vision goggles.

I don't know if it is true or not, but I am saying there are many reports that these arms we sent down there are in the hands of the armed insurgents, former members of the former Haitian military. How did they get their hands on these arms?

As Richard Holbrooke, our former Ambassador to the United Nations, said on a Sunday morning talk show, these individuals have a long history of murder and terror when they were members of the Haitian military. He said they have a long history of involvement with our intelligence services in the United States.

This needs to be investigated.

The New York Times today reported that the political crisis in Haiti is deepening. Prime Minister Neptune has declared a state of emergency and has suspended many of the rights to the Haitian people guaranteed by their constitution.

The Bush administration withdrew its support from the Aristide government because it said it was a ''government of failed leadership.''

I guess we get to decide whether a democractically elected government is failing or not. And if we don't like them, we have the right to go ahead and let armed thugs take over that government.

I tell you, the Bush administration has a lot to answer for, and will have a lot to answer for because of what has happened and what is happening in Haiti today.

President Aristide is gone, forced out of office, and the Bush administration continues to sit on the sidelines and wring its hands while innocent people in Haiti continue to be killed.

I call on the administration to truly make a commitment to stabilize the security situation in Haiti by first instructing the Multinational Interim Force to collect the weapons used by the rebels who said they would disarm. If this vital step is not taken now, we are only setting ourselves and the Haitian people up for another disaster. The mandate is clear. The Multinational Interim Force should immediately disarm and arrest these thugs.

The failure to disarm the disbanded Haitian military and the paramilitary forces called FRAPH in 1994 after President Aristide had come back to office has been one of the root causes of ongoing political violence in Haiti.

We know who these thugs are and we have the mandate to arrest and turn them over to the Haitian authorities. We have arrested Baathists members of Saddam Hussein's party. We have arrested them and turned them over to the Iraqi courts. We also did this in the Balkans. Why can't we do it in Haiti? We cannot go out and arrest Mr. Chamblain, convicted of two murders? Why don't we go out and arrest him and turn him over to the Haitian courts to stand trial?

Let us show the Haitian people we are committed to ensuring that the democratic process works—not just in Iraq, not just in the Balkans, but also in Haiti as well.

The Bush administration can no longer sit on the sidelines. It is my hope the Bush administration shows the same dedication and commitment to supporting the new interim government as it did to stand by and actively destroy President Aristide's duly elected democratic government.

What has happened in Haiti should be a blight on the American conscience—the poorest country in this hemisphere, the poorest of the poor, struggling decade after decade under brutal dictatorships, repressive military regimes, finally becoming free in 1990, only to have its President overthrown in a coup. What signal are we sending to the Haitians? I guess if you are poor and you don't have oil and you are not strategically important, we don't care what happens to you. We will let the thugs take over. We will let the few wealthy elite rearm the military to protect them and to keep them in power.

I saw a newspaper article late last week which pointed out that this Congress had appropriated $18 billion for reconstruction in Iraq. It went on to say how $4 billion of the money that was appropriated for Iraq was for clean water and sanitation—$4 billion of our taxpayers' money going to one of the wealthiest countries in the world, Iraq. Iraq is not a poor country. This is a very rich country with oil reserves. It is either the first or second in the world in oil reserves. Yet we are taking $4 billion in taxpayer money to build a water and sanitation system. Why can't we build clean water and sanitation systems, roads, hospitals and schools in Haiti? To me, that is the moral imperative of what we should be doing in our hemisphere—not trying to destroy democratically elected governments.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Missouri.

OUTSOURCING U.S. JOBS

Mr. BOND. Madam President, yesterday we began our discussion on outsourcing—a subject well worth discussing because it is of great concern.

I am sorry I didn't have a chance to hear all of the discussions because I think we need to address all of the issues related to the needless outsourcing of U.S. jobs abroad. It is a problem in my State as it is in many others. I imagine I am not the only Member of this body who has been confronted with workers who have lost their jobs, and many more who feel that the loss of their job is likely. They raise these concerns about outsourcing and jobs going abroad.

Yesterday I heard a lot of strong rhetoric about how bad it was, but I didn't hear a discussion of the many complicated issues that go into outsourcing. I did not hear a thorough discussion of how effectively we can remedy the problem.

As a matter of fact, the chairman of the Finance Committee raised the question that perhaps one of the remedies being proposed might put us in violation of the World Trade Organization rules with the possible imposition of much broader penalties on other U.S. workers not directly affected.

I think it is time we begin a discussion of this complicated issue. I hope we have hearings on it. I hope we have discussions on it because I think the people of America need to understand what it is like as we live in a true world economy.

I want to look first at what I consider to be a real problem of outsourcing; that is, governmentally enforced outsourcing. You say, What? The Federal Government and State governments are threatening to drive jobs out of the United States? Do we realize that?

In this body last year, I led a debate in which there were strong opinions on both sides. I don't think I need to remind my colleagues of the debate over the regulation proposed by the California Air Resources Board that proposed to require all small engines—the engines we have in weed trimmers, in lawnmowers, leaf blowers and chainsaws—would have to have catalytic converters. This was a very contentious debate. I thank my colleagues who supported me and who helped us prevent the imposition of this rule nationally outside of California.

We talked about some of the dangers—the danger that 1,100-degree catalytic converters would start fires. Grass burns at 500 degrees. The danger of a small engine with a 1,100-degree catalytic converter is great. But there was a more direct danger. If that California regulation had gone nationwide, then the companies set up to manufacture small engines would not have been able to manufacture them in their existing facilities. They told us—and outside experts agreed—that they would have to rebuild these facilities. Where would they rebuild the facilities? They would rebuild the facilities in China because they could do it so much more cheaply and use less expensive labor in China to turn out the engines. Some of them are now produced in China, and they would have moved all of the small engine production to China.

I was in Poplar Bluff, MO, last Saturday night. I was thanked by the 1,100 employees of Briggs & Stratton in Poplar Bluff. I was thanked, and my colleagues in this body and in the House were thanked, because we took steps to stop the California Air Resources Board from sending a regulation nationwide that would have cost them their jobs. Not just 1,100 jobs at Poplar Bluff in Missouri, a total of 5,000 jobs in Missouri would have moved offshore. They would have been outsourced.

Nationally, more jobs in Wisconsin, almost as many jobs in Kentucky, jobs in Alabama, jobs all across the Midwest, a total of 22,000 American jobs would have been outsourced by that governmental regulation if this body, at my request, and the other body at the request of Congresswoman EMERSON, had not been able to say you are not going to impose those restrictions outside the State of California. I thank my colleagues on behalf of the workers in Missouri and around the Nation whose jobs were not outsourced.

But then we have another problem. Do you know what is driving jobs offshore now? A shortage of natural gas. Natural gas prices have run way up because of governmentally enforced provisions. The natural gas crisis we have in the United States is a governmentally enforced shortage, a governmentally enforced hike. Many low-income families find their natural gas bills going through the ceiling. All of us who heat with natural gas see our natural gas bills going up.

Worse, men and women who work in industries that use natural gas—chemical and related industries—are seeing their jobs move offshore because the producers of those goods have to go to other countries where they have abundant natural gas supplies, where the natural gas supply has not been constrained by governmental action and not been enhanced by governmental mandate. We have been sitting around here and we cannot get an energy bill through that would tap the absolutely essential natural gas resources in the Presiding Officer's State of Alaska—and, I might add, ANWR, too.

We have natural gas, but we cannot use it. Why? Because governmental regulations say we cannot drill here or there; we have not been able to build a pipeline.

Why have natural gas prices gone up? We have mandated electric utilities not to use abundant coal but to use natural gas. Natural gas should not be used to fire electric generating boilers. It has too many other uses.

There was an article last week in the Wall Street Journal by Russell Gold talking about how natural gas costs hurt United States firms:

> The root of higher natural-gas prices is a federal policy that promotes use of the relatively cleaner-burning fuel without providing incentives or means for natural-gas companies to increase production. So while demand soared in recent years, especially from a raft of new gas-fired power plants, producers have struggled with supply. Most North American gas fields are years past their prime, and environmental restrictions prevent drilling on many of the most promising areas.

He has summed it up well. We have a crisis in natural gas prices and natural gas supply and in outsourcing of natural gas-using industries because of government policy. The farmers in my State have to use fertilizer. The ''n'' in the three-numbered fertilizer most farmers use or the anhydrous ammonia comes from natural gas, and they see tremendously high prices. I believe in a little bit of 13/13/13 and the prices jumped in that small sack I buy. When you are buying tons and tons of this, it cuts into farmers' profits and raises their costs.

Do you know what I think. We have all these impact statements, environmental impact statements, but maybe what we need is a jobs impact statement. Before we pass one of these good ideas or before some agency of government comes up with a new regulation, maybe they ought to have to do an impact on the jobs it would cost or create.

I would like to have some of my colleagues who have been so vocal and persuasive and vociferous in arguing against outsourcing to have a chance to vote on whether we ought to have a jobs impact statement. That seems to make a lot of sense to me. Maybe we can do something. I will be working on that. I may offer that for this body's consideration.

But I tell you something else that is causing outsourcing and that we have not done anything about. We cannot move forward on asbestos litigation reform. There are 3,000 or 4,000 people who are tragically sick because of asbestos, but the asbestos trial lawyers have filed class action suits with 700,000 plaintiffs.

That struck home for me because I live in northeast Missouri. My hometown of Mexico, MO, used to call itself the saddle horse and fire clay center of the world. Saddle horses are three- and five-gaited horses. Rex McDonald, trained by Tom Bass, is one of the leaders. Unfortunately, we are no longer the fire clay or refractory center of the Nation. We had thousands and thousands of people employed in making high-temperature and abrasive-resistant bricks that line steel furnaces and petroleum-cracking furnaces that line the Navy boilers. That used to be the major industry.

But it turns out that some time ago there was some asbestos used in the mortar that held the refractory's products together. So all of those companies have 700,000 lawsuits filed against them. Most, if not all of them, have been forced into bankruptcy because of asbestos litigation. Their buyers have come in and picked up the customer lists and the recipes and moved the production to Canada to supply our basic industry needs. The most basic industry, basic for steel, for aluminum, for petroleum products, has been driven largely to Canada to get away from asbestos litigation.

We are not taking the steps we need to allow us to bring back into the United States the production of one of the most basic elements of heavy industry. That is one thing maybe we can work on. Maybe we can pass an asbestos bill—we should have done so a long time ago—to care for those who are really sick, but also to cut off frivolous claims that do nothing but line trial lawyers' pockets. Tort reform is another thing we need to address to keep businesses productive so they can hire workers.

I tell you one other thing. I have a particular interest because the Senator from Maryland and I chair the appropriations subcommittee that appropriates funds for the National Science Foundation. We are seeing a tremendous shortage of scientists and engineers. We are just not finding enough United States students who want to follow a science or engineering curriculum. With the increasing developments in science and technology and engineering, we have to be turning out more scientists. We need more money. I make a plea for more money for the National Science Foundation budget so we can increase the incentives the National Science Foundation is using, along with science centers and educational institutions through the country, to train more scientists and engineers and technicians.

Yes, we need to train more people in community colleges. That is very important because if we do not train them, other countries, such as India, with tremendous reservoirs of engineers are turning out top quality engineers. If we do not have the engineers to do the work that is needed, that work is going to go to India. We need to do something about it. And we ought to begin moving.

In a growing competitive and interdependent global economy, as any economist will explain, there are increasingly greater flows of trade, capital, and labor.

Outsourcing apparently has been occurring wherever freedom has existed

because private businesses will seek to increase efficiency and provide better products at a lower cost by focusing resources on what they do better than everyone else. This has occurred in the United States in the previous half century, as the United States employment grew from 45 million to 130 million jobs.

I was one who thought I would always buy an American car. I thought I had been doing so. But do you know something. More and more American cars have foreign-made parts and foreign-made components. At the same time, more foreign companies are coming into the United States. You have to do a lot of research to find out which car has more and which car has less U.S. components.

The auto industries are employing people at good wages in the United States at high-tech jobs, while lower-tech jobs are done overseas. But the American consuming public has demanded the best quality automobiles. So it is difficult, when you go out and try to buy American, to find out what is truly American. Those eggs have been scrambled, and it is difficult to unscramble them.

But as much a problem as outsourcing and foreign trade is, I want to give you some good news. There are some in this body who voted for the North American Free Trade Agreement and have now roundly condemned it. But on Monday of this week, the Governor of Missouri proudly announced—and I congratulate the State—that Missouri exports grew by 6.5 percent in 2003. From his release, it says Canada and Mexico were top importers of Missouri products. Canada imported $3 billion of products; Mexico imported $748 million of products. Not bad. Those are two countries I believe are in NAFTA.

But more interestingly, the Governor goes on to say:

More than 75,000 jobs in the state were directly tied to industries that export to other countries. . . . Also, the top 10 exporting industries paid higher average annual wages, at $41,894, than the statewide average wage of $33,600.

Madam President, I ask unanimous consent that release be printed in the RECORD.

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

MISSOURI EXPORTS GROW 6.5 PERCENT IN 2003

Missouri's exports increased by 6.5 percent in 2003, reaching $7.23 billion, the state's Department of Economic Development said.

Missouri's exports totaled $6.79 billion in 2002. Transportation equipment was Missouri's top export in 2003 with nearly $2.2 billion in sales. Other strong exports were chemicals, plastics and rubber, leather products and electrical equipment, appliances and components, and food and similar products.

Canada and Mexico were the top importers of Missouri products. Canada imported $3.08 billion of products, and Mexico imported $748 million of products. The other top importers of Missouri products were Japan, the United Kingdom, China, Germany, Italy, Hong Kong, Belgium and Australia.

Nationally, Missouri ranked No. 26 for export sales, but its international sales grew faster than the nation's, which grew an average of 4.4 percent.

More than 75,000 jobs in the state were directly tied to industries that export to other countries, the department said in a written release. Also, the top 10 exporting industries paid higher average annual wages, at $41,894, than the statewide average wage of $33,600.

Kelvin Simmons, director of the department, said Missouri's exports seem to be returning to the level they were at before the recession.

''Increased sales of Missouri products abroad is another important indicator that Missouri's economy has turned the corner on the national recession,'' Simmons said in the release.

Mr. BOND. Madam President, as businesses and our economy restructure—a natural occurrence of the business cycle—workers in our country have done better overall. ''Overall,'' however, does not mean everyone has done better. Many have not, and those are the people for whom the overall benefits of restructuring or even the so-called temporary nature of the unemployment is of little comfort because they want to work and provide for their families but they do not have a job.

Yesterday afternoon, the Senator from New Jersey was very loudly and strongly decrying the outsourcing of jobs, and he made, I believe—I did not hear all of his statement—a very compelling case. At the same time, the firm he was associated with announced last fall it intended to establish an Indian unit with 250 employees working on operations in technology. Now, how does that square with not outsourcing? That is something perhaps we should discuss in a hearing or further debates.

But I just came across an interesting article from Tom Friedman, certainly not with a Republican base, but I think a very good New York Times international analyst. He was talking about interviews he had with an Indian who was a founder of 24/7's customer call center. He said:

How can it be good for America to have all these Indians doing our white-collar jobs?

The reply was:

All the computers are from Compaq. The basic software is from Microsoft. The phones are from Lucent. The air-conditioning is by Carrier, and even the bottled water is by Coke, because when it comes to drinking water in India, people want a trusted brand. On top of all this . . . 90 percent of the shares . . . are owned by U.S. investors [including U.S. pension funds]. This explains why, although the U.S. has lost some service jobs to India, total exports from U.S. companies to India have grown from $2.5 billion in 1990 to $4.1 billion in 2002. What goes around comes around, and also benefits Americans.

Mr. Friedman concludes his article quoting the Indian gentleman saying:

It's unfair that you want all your products marketed globally, but you don't want any jobs to go.

And Mr. Friedman replies:

He's right. Which is why we must design the right public policies to keep America competitive in an increasingly networked world, where every company—Indian or American—will seek to assemble the best skills from around the globe. And we must cushion those Americans hurt by the outsourcing of their jobs. But let's not be stupid and just start throwing up protectionist walls, in reaction to what seems to be happening on the surface. Because beneath the surface, what's going around is also coming around. Even an Indian cartoon company isn't just taking American jobs, it's also making them.

Those are Mr. Friedman's comments.

Madam President, I ask unanimous consent that op-ed be printed in the RECORD.

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

[From the New York Times, Feb. 26, 2004]

WHAT GOES AROUND . . .

(By Thomas L. Friedman)

BANGALORE, India—I've been in India for only a few days and I am already thinking about reincarnation. In my next life, I want to be a demagogue

Yes, I want to be able to huff and puff about complex issues—like outsourcing of jobs to India—without any reference to reality. Unfortunately, in this life, I'm stuck in the body of a reporter/columnist. So when I came to the 24/7 Customer call center in Bangalore to observe hundreds of Indian young people doing service jobs via long distance—answering the phones for U.S. firms, providing technical support for U.S. computer giants or selling credit cards for global banks—I was prepared to denounce the whole thing. ''How can it be good for America to have all these Indians doing our white-collar jobs?'' I asked 24/7's founder, S. Nagarajan.

Well, he answered patiently, ''look around this office.'' All the computers are from Compaq. The basic software is from Microsoft. The phones are from Lucent. The air-conditioning is by Carrier, and even the bottled water is by Coke, because when it comes to drinking water in India, people want a trusted brand. On top of all this, says Mr. Nagarajan, 90 percent of the shares in 24/7 are owned by U.S. investors. This explains why, although the U.S. has lost some service jobs to India, total exports from U.S. companies to India have grown from $2.5 billion in 1990 to $4.1 billion in 2002. What goes around comes around, and also benefits Americans.

Consider one of the newest products to be outsourced to India: animation. Yes, a lot of your Saturday morning cartoons are drawn by Indian animators like Jadoo Works, founded three years ago here in Bangalore. India, though, did not take these basic animation jobs from Americans. For 20 years they had been outsourced by U.S. movie companies, first to Japan and then to the Philippines, Korea, Hong Kong and Taiwan. The sophisticated, and more lucrative, preproduction, finishing and marketing of the animated films, though, always remained in America. Indian animation companies took the business away from the other Asians by proving to be more adept at both the hand-drawing of characters and the digital painting of each frame by computer—at a lower price.

Indian artists had two advantages, explained Ashish Kulkarni, C.O.O. of Jadoo Works. ''They spoke English, so they could take instruction from the American directors easily, and they were comfortable doing coloring digitally.'' India has an abundance of traditional artists, who were able to make the transition easily to computerized digital painting. Most of these artists are the children of Hindu temple sculptors and painters.

Explained Mr. Kulkarni: ''We train them to transform their traditional skills to animation in a digital format.'' But to keep up

their traditional Indian painting skills, Jadoo Works has a room set aside—because the two skills reinforce each other. In short, thanks to globalization, a whole new generation of Indian traditional artists can keep up their craft rather than drive taxis to earn a living.

But here's where the story really gets interesting. Jadoo Works has decided to produce its own animated epic about the childhood of Krishna. To write the script, though, it wanted the best storyteller it could find and outsourced the project to an Emmy Award-winning U.S. animation writer, Jeffrey Scott—for an Indian epic!

''We are also doing all the voices with American actors in Los Angeles,'' says Mr. Kulkarni. And the music is being written in London. Jadoo Works also creates computer games for the global market but outsources all the design concepts to U.S. and British game designers. All the computers and animation software at Jadoo Works have also been imported from America (H.P. and I.B.M.) or Canada, and half the staff walk around In American-branded clothing.

''It's unfair that you want all your products marketed globally,'' argues Mr. Kulkarni, ''but you don't want any jobs to go.''

He's right. Which is why we must design the right public policies to keep America competitive in an increasingly networked world, where every company—Indian or American—will seek to assemble the best skills from around the globe. And we must cushion those Americans hurt by the outsourcing of their jobs. But let's not be stupid and just start throwing up protectionist walls, in reaction to what seems to be happening on the surface. Because beneath the surface, what's going around is also coming around. Even an Indian cartoon company isn't just taking American jobs, it's also making them.

Mr. BOND. Madam President, there are many ways to address the needless outsourcing of jobs. One of the things we could do is to have the Government impose even more restrictions on the private sector. However, in many cases that is not the solution; it is the problem. According to the Congressional Research Service, there is a relationship between high employment restrictions and high unemployment. CRS says:

. . . the four largest countries with the most protection (Germany, France, Italy, and Spain) had the highest unemployment rates of any country.

CRS cites the ''unintended effect of making firms reluctant to take on new workers'' is the result of the protectionist policies.

Interesting comments on this came from former Labor Secretary Robert Reich, who was President Clinton's Secretary of Labor. On November 2, 2003, in the Washington Post, he said, in a headline: ''High-Tech Jobs Are Going Abroad! But That's Okay.'' What is he talking about? How did he say that? Man, that sounds bad. That sounds as bad as some of the statements we have heard out of economists in this administration. I will submit the whole thing for the RECORD, but at the end of it he said:

So why don't I believe the outsourcing of high-tech work is something to lose sleep over?

He says:

First, the number of high-tech jobs outsourced abroad still accounts for a tiny proportion of America's 10-million-strong IT workforce. . . .

Second, even as the number of outsourced jobs increases, the overall percent of high-tech jobs going abroad is likely to remain relatively small.

Next:

Outsourcing also poses quality-control problems.

Next:

As smart U.S. companies outsource their more standard high-tech work, they're simultaneously shifting their in-house IT employees to more innovative, higher value-added functions, such as invention, creation, integration, key R&D and basic architecture. . . .

There's no necessary limit to the number of high-tech jobs around the world. . . .

In conclusion, this former Secretary of Labor says:

. . . it makes no sense for us to try to protect or preserve high-tech jobs in America or block efforts by American companies to outsource. Our economic future is wedded to technological change, and most of the jobs of the future are still ours to invent.

Madam President, I ask unanimous consent that the article by Robert Reich be printed in the RECORD.

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

[From the Washington Post, Nov. 2, 2003]

HIGH-TECH JOBS ARE GOING ABROAD! BUT THAT'S OKAY

(By Robert B. Reich)

There's good news and not-so-good news in the American workplace. The good news is that the economy is growing and businesses are spending once again, on high technology. The Commerce Department reported last Thursday a sharp pickup in spending on equipment and software in the third quarter. Not so good is the news that high-tech jobs have not come back, at least not so far.

Jobs in America's sprawling information-technology (or IT, as is known in the info world) sector—including everything from software research, design and development to computer engineering—are down 20 percent from late 2000. Salaries are down, too. In 2000, senior software engineers earned $130,000. The same job now pays no more than $100,000. Meanwhile, a lot of high-tech jobs are moving offshore. Is that a cause for concern?

When I was labor secretary, I fought to preserve U.S. jobs. So you might assume that I would see the number of high-tech jobs moving offshore as a troubling trend. And yet, I do not. I'll explain why in a moment.

But lots of people are worried about it. Indeed, those anxieties seem to be increasing:

On Sept. 30, Congress let the cap on H–1B visas issued to foreign high-tech workers to shrink from 195,000 to its old level of 65,000. The ostensible reason: to make sure more high-tech jobs go to Americans.

Bills are pending in several state legislatures barring state government projects from using offshore high-tech workers.

High-tech workers are organizing against foreign outsourcing. One group of them—the Organization for the Rights of American Workers—has demonstrated outside conferences on ''strategic outsourcing'' in New York and Boston.

The fear is understandable.

More than half of all Fortune 500 companies say they're outsourcing software development or expanding their own development centers outside the United States. Sixty-eight percent of more than 100 IT executives who responded to a survey last spring by CIO magazine said their offshore contracts will increase this year. By the end of 2004, 10 percent of all information-technology jobs at American IT companies and 5 percent in non-IT companies will move offshore, according to Gartner Co., a research and analysis firm that specializes in high-technology trends. And by 2015, according to a study by Forrester Research in Cambridge, an estimated 3.3 million more American white-collar jobs will shift to low-cost countries, mostly to India.

The trend isn't surprising. American companies are under intense pressure to reduce costs, and foreigners can do a lot of high-tech jobs more cheaply than they can be done here. Already India has more than half a million IT professionals. It's adding 2 million college graduates a year, many of whom are attracted to the burgeoning IT sector. The starting salary of a software engineer in India is around $5,000. Experienced engineers get between $10,000 to $15,000. Top IT professionals there might earn up to $20,000.

Meanwhile, it's become far easier to coordinate such work from headquarters back in America. Overseas cable costs have fallen as much as 80 percent since 1999. With digitization and high-speed data networks, an Indian office park can seem right next door. Matthew Slaughter, associate professor of business administration at Dartmouth College, says information-technology work ''will move faster [than manufacturing] because it's easier to ship work across phone lines and put consultants on airplanes than it is to ship bulky raw materials across borders and build factories and deal with tariffs and transportation.''

With such ease of communicating, the squeeze on H1–B visas will do little to keep IT jobs out of the hands of non-Americans. ''It doesn't make a difference for firms whose business model has people largely working offshore,'' Moksha Technologies Chairman Pawan Kumar told the Press Trust of India. ''It . . . will make firms drive business where the technology workers are.'' Guatam Sinha, head of the Indian human-resource firm TVA Infotech, agrees. ''In fact, lots of techies are coming back to India.'' India exported $9.6 billion worth of software last year. Such exports are expected to grow 26 percent this fiscal year.

So why don't I believe the outsourcing of high-tech work is something to lose sleep over?

First, the number of high-tech jobs outsourced abroad still accounts for a tiny proportion of America's 10-million-strong IT workforce. When the U.S. economy fully bounces back from recession (as it almost surely will within the next 18 months), a large portion of high-tech jobs that were lost after 2000 will come back in some form.

Second, even as the number of outsourced jobs increases, the overall percent of high-tech jobs going abroad is likely to remain relatively small. That's because outsourcing increases the possibilities of loss or theft of intellectual property, as well as sabotage, cyberterrorism, abuse by hackers, and organized crime. Granted, not much of this has happened yet. But as more IT is shipped abroad, the risks escalate. Smart companies will continue to keep their core IT functions in-house, and at home.

Outsourcing also poses quality-control problems. The more complex the job order and specs, the more difficult it is to get it exactly right over large distances with subcontractors from a different culture. In a Gartner survey of 900 big U.S. companies that outsource IT work offshore, a majority

complained of difficulty in communicating and meeting deadlines. So it's unlikely that very complex engineering and design can be done more efficiently abroad.

As smart U.S. companies outsource their more standard high-tech work, they're simultaneously shifting their in-house IT employees to more innovative, higher value-added functions, such as invention, creation, integration, key R&D and basic architecture. These core creative activities are at the heart of these companies' competitive futures. They know they have to nourish them.

The third and most basic reason why high-tech work won't shift abroad is that high technology isn't a sector like manufacturing or an industry like telecommunications. High-tech work entails the process of innovating. It's about discovering and solving problems. There's no necessary limit to the number of high-tech jobs around the world because there's no finite limit to the ingenuity of the human mind. And there's no limit to human needs that can be satisfied.

Hence, even as the supply of workers around the world capable of high-tech innovation increases, the demand for innovative people is increasing at an even faster pace. Recessions temporarily slow such demand, of course, but the long-term trend is toward greater rewards to people who are at or near the frontiers of information technology—as well as biotechnology, nanotechnology and new-materials technologies. Bigger pay packages are also in store for the professionals (lawyers, bankers, venture capitalists, advertisers, marketers and managers) who cluster around high-tech workers and who support innovative enterprises.

In the future, some of America's high-tech workers will be found in laboratories but many more will act like management consultants, strategists and troubleshooters. They'll have intimate understandings of particular businesses so they can devise new solutions that meet those businesses' needs. They'll help decide which high-tech work can most efficiently be outsourced, and they'll coordinate work that goes offshore with work done in-house.

Don't get me wrong. None of this is an argument for complacency. It's crucial that America continues to be the world's leader in innovation. Our universities are the best in the world, but they can't remain that way when so many are starved for cash. Federal and state support for higher education must keep up with rising demand for people who are creative and adaptive.

Federal government investments in basic research and development are also vital. We need to guard against what is already a drift away from basic research toward applied research and development—that is, from the creation of new knowledge that can be put to many different uses versus R&D that's related to the commercialization of specific products, especially military-related aerospace, telecommunications and weapons.

And just as with laid-off manufacturing workers, we need to ensure that high-tech workers are adaptive and flexible. They should be able to move quickly and get the retraining they need. Pensions and health insurance should be more portable across jobs. High-tech workers who want to polish their skills or gain new ones should have access to tax credits that make it easy for them to go back to college for a time.

But it makes no sense for us to try to protect or preserve high-tech jobs in America or block efforts by American companies to outsource. Our economic future is wedded to technological changes, and most of the jobs of the future are still ours to invent.

Mr. BOND. Madam President, as we have this debate, it is impossible to observe one nearly ignored reality. Despite whether we often or always disapprove of corporate decisionmakers, it is impossible to be for employees while being against employers. We cannot be unrestrained in our desire to impose additional costs on employers and expect there not to be harmful consequences to employees.

One would not know it by listening to some of the Presidential wannabes, but when you put more burdens on employers, they respond. They respond to punitive taxation, regulation, and litigation. They will outsource. They will move away. They will respond positively to incentives. We hope the incentives of the underlying subject of the bill before us today to provide tax relief for exports will help us get more jobs in this country.

In my State, governmental regulations, State and Federal, are being used by some to try to prevent a foreign firm from investing $400 million in a plant that will employ 200 high-paid workers in a poor area.

They are trying to stop insourcing. We are in year 3 of environmental assessments to see if the plant can meet all the EPA, Corps of Engineers, and State standards. If we keep piling on burdens, this firm can conduct operations in Thailand. I am afraid that option may be becoming more attractive every day.

As I said, the trial lawyers have litigated the refractory business out of Missouri. According to the National Association of Manufacturers, we have the most expensive legal system in the world, yet filibuster after filibuster keeps us from reforming the system. Tort taxes, for which America is famous, are estimated to have been over $230 billion in 2002, 13 percent higher even than the costs in 2001. Who pays for these skyrocketing costs? The tort lawyers pocket their 40 percent, but employers, employees, and consumers contend with those costs.

We are not upgrading the locks and dams on the Mississippi River that are the vital lifeline to make sure we can use the farm productivity of the Midwest to ship grain to export markets around the world, export markets that are bringing up prices and restoring economic well-being to the agricultural sector. We need to invest in our infrastructure.

Let me add highways. Highways are very important to growing jobs. I wouldn't want to leave the Chamber without saying that. There is much work to be done.

Some apparently think that highways are too expensive: ignoring the greater expense of decay and inefficiency. A good highway bill has passed the Senate, but is bogged down and may not emerge from the House.

We spend $60 million over 12 years studying whether our 70-year-old dilapidated locks on the Mississippi River should be modernized—a study that has resulted in nothing but red tape, congestion, and delay, without resolution. While failing to respond to the obsolescence of our Nation's most important inland waterway and artery to the world's markets, we are at risk of outsourcing corn and bean production to other countries.

This quagmire has been excellent news for South American farmers who are winning market share as fast as we are losing it.

On the Missouri River, another key waterway, the U.S. Department of Interior proposed in 2000 to end water transportation and increase flood risk for downstream businesses and landowners so they could experiment with pallid sturgeon habitat. Our farmers and other shippers who are struggling to compete look to government for more efficient transportation options. Instead, government uses it regulatory power to consign farmers and other employers to the mercy of a higher-cost transportation monopoly. More good news for foreign farmers courtesy of the U.S. Federal Government.

Farmers and businesses in my State routinely raise issues related to high energy costs. We need to be encouraging domestic production of energy. Instead we discourage it. Rather than safely developing renewable resources at home and oil in Alaska, we import oil from the Middle East. We had an energy bill that promoted all forms of domestic energy production but could not overcome a filibuster. So we are outsourcing midwestern farm jobs and Alaskan energy jobs to Saudi Arabia by Congressional obstruction. The Wall Street Journal featured an article recently noting how some firms were ''off-shoring'' in response to dramatic increases in natural gas necessary to fuel their operations.

Then there is the tax burden on U.S. businesses. According to some estimates, the U.S. has the second highest corporate tax burden in the world—second only to Japan. Most small businesses are taxed as individuals and are subject to the top marginal rates. Consequently, according to election-year Democrat rhetoric, these small businesses and corporations are ''the rich'' and next week we will see numerous attempts to raise their taxes.

Again, Congress can't stick it to the employers and claim to be deeply concerned about employees. We don't always like what corporations do—and I troubled by what seems like a herd mentality when it comes to outsourcing of many jobs—but businesses exist because Americans voluntarily purchase their products, Americans own them, Americans run them, Americans work for them.

No one advocates a business environment free of regulation, but we cannot continue to be oblivious to the costs that we, little-by-little, heap upon our employers.

If we want them to hire people and do so in the U.S.—and I certainly do—why don't we prove it. Why don't we resist raising their taxes next week? Why don't we end the filibuster on legal reform or ''tort tax'' reform? Why don't we end the filibuster on an energy bill? Why don't we modernize our infrastructure? Why don't we recognize that by working with businesses, we can reduce pollution rather than reduce American jobs.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, it is my understanding there are two additional requests for time. Do we have time left on the Democratic side?

The PRESIDING OFFICER. There is no time remaining on the Democratic side.

Mr. REID. I ask unanimous consent that there be an additional 10 minutes equally divided and that our 5 minutes go to the Senator from Delaware, Mr. CARPER, following the statement of the Senator from Minnesota.

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

Mr. COLEMAN. Madam President, I yield to my friend, the Senator from Delaware.

Mr. CARPER. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Delaware.

AMERICAN LEGACY FOUNDATION

Mr. CARPER. Today is March 4. Five years ago today something called the American Legacy Foundation was created. Over the past 5 years, Legacy Foundation has helped us to make great strides in the improvement of health for all kinds of Americans, not only today but in the years to come. They have helped us to begin building a world where young people reject tobacco and where just about anyone can quit smoking. But as we celebrate the work of the foundation today, a lot more work needs to be done.

The foundation was established in March of 1999 as a result of something called the Master Settlement Agreement between a coalition of attorneys general in 46 States and 5 U.S. territories and the tobacco industry. The foundation remains primarily today funded by payments designated by the settlement.

The foundation develops national programs that address the health effects of tobacco use. They do it through grants, technical training and assistance, and youth activism, strategic partnerships, countermarketing and grassroots marketing campaigns, public relations, and community outreach to populations disproportionately affected by the toll of tobacco.

The foundation has two goals that guide its work toward creating tobacco-free generations. One of those is to arm all young people with the knowledge and tools to reject tobacco. The other is to eliminate the disparities in access to tobacco prevention and cessation services.

The truth campaign is one effort to curb tobacco use among teens. Truth is the foundation's comprehensive countermarketing campaign to prevent and reduce youth smoking. The truth campaign was credited by the National Institute on Drug Abuse as one of the major programs which contributed to the steady reduction in teen cigarette smoking.

In addition to celebrating this achievement today, I also want to share with my colleagues the very real threats faced by the American Legacy Foundation. This year the foundation received its last payment from the Master Settlement Agreement. Because of this drastic reduction in resources, all of the successes that have been achieved to date are suddenly jeopardized. I don't believe we can afford to lose any of the ground we have gained on tobacco control.

I ask my colleagues to consider these facts: Tobacco is the leading cause of preventable death in this country. Tobacco kills some 440,000 people per year—more than alcohol, AIDS, car accidents, illegal drugs, murders, and suicides combined. Twenty-four percent of high school students in my State still smoke. That is down from where it was a couple years ago, but still almost one out of four. Every day some 2,000 teenagers begin smoking. Their average age is actually about 13. Of those who become hooked on smoking, one of three will end up dying from their use of tobacco.

Each year in my State of Delaware, some 1,100 adults die from cigarette smoking. I am told over 900 kids in my State have lost at least one parent through smoking-caused death. I would also say smoking is having a financial impact. Annual health care expenditures in my State caused by tobacco use total $221 million and over $62 million in State Medicaid payments are related to tobacco use.

I had the privilege of being the founding cochairman of the American Legacy Foundation. Our founding chairman was Chris Gregoire, the Attorney General of Washington State. I was succeeded and joined on the foundation board by former Governor Mike Leavitt of Utah, now head of EPA, and by Parris Glendenning, former Governor of Maryland. I am proud of the association I had with the foundation at its beginning and the great work we did, especially with young people who themselves helped to design, to craft, and to deliver the truth campaign. In no small part because of their efforts, especially the young people, the incidence of smoking has dropped significantly over the last half dozen years, and it is important that that work and that trend continue.

I thank the Chair for the time and I thank my colleague from Nevada and my colleague from Minnesota for allowing me to speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. Madam President, are we still in morning business?

The PRESIDING OFFICER. That is correct.

THE ECONOMY

Mr. COLEMAN. I would like to spend the little time remaining to talk about the economy. I was mayor of St. Paul, MN, for 8 years, and I learned as mayor that the best welfare program is a job; the best housing program is a job. Access to health care quite often came through a job. I also learned nobody jumps on a sinking ship; that hope and confidence yield investment.

As we look at the data, look at what is happening in the economy, it is very clear the economy is moving forward. This Nation has come a long way from the terrible day of September 11 and the impact that had both on the infrastructure in New York and in Washington, but also on the psyche of the American public, the confidence.

Look at the scandals on Wall Street, the WorldComs and the Enrons. Undermining the trust and confidence in the American system, the way we do business, that has an impact. The reality is we have come so far. In the third quarter of last year we had the greatest GDP growth in nearly 2 decades. The fourth quarter exceeded expectations contributing to 6.1 percent annual growth rate in the last half of the year, the strongest 6 months gain since 1984. It is expected the 2004 economic growth will be between 4.6 and 4.8 percent.

We sound like statisticians here. I am not sure the average man or woman worried about their economic future and feeding their family understands the impact of that, but that is the fastest annual growth in this country since 1984.

When you try to turn around an economy that has suffered so much, when we try to do the things with the President's leadership—to cut taxes, put more money in the pockets of moms and dads, to allow business to increase expensing that, to generate bonus depreciation—it then results in more economic investment, which results in more jobs, more jobs.

Those are the things we have done, and the result is that the economy is moving forward. The statistics show that.

I understand that capital expenditures are on the rise. The Department of Commerce reported earlier this week that capital goods orders are rising and are 3.6 percent higher in January than in the final quarter of 2003. We have nearly 660,000 less unemployment claims than we had at our peak figure last summer and, I think, over 336,000 new jobs according to the payroll survey, the most narrow reading—and the household survey shows much more of an increase. If you do something out of your home, if you are individually employed, it doesn't count that. I learned from my 17-year-old that people do business out of eBay, and they are not listed in the payroll survey. But the household survey is significant.

Millions of jobs have been created in this country. So we are moving forward. In my State, the last report of the State budget showed very good news. The terrible deficits and gaps we were facing, the fiscal crisis, may be over. The National Conference of State Legislatures recently said that. So we

have a lot of good news. Over the last 6 months, in the course of a Presidential campaign, all you heard is the negative, telling people again and again how bad it is. Ultimately, common sense tells you if you tell somebody something often enough and put enough money behind it, they may actually believe it. The problem is, if they believe it, it impacts their confidence and we all suffer. That is a bad thing. Instead of criticizing, we need to work together to get things done to move this economy forward at a faster pace.

The Senator from Missouri recently talked about a highway bill, a jobs bill, a transportation bill that would create 1.7 million jobs while improving the Nation's infrastructure. We need to invest in improving locks and dams so farmers can get products to market and continue to grow a farm economy that is doing a lot better. We need to pass an energy bill to create between 500,000 and 700,000 new jobs—a bill that has been subject to a filibuster. That has to end and we need to stop criticizing and pledge to work together to get something done.

We need legal reform. We came within a vote of class action reform. Talk to the folks who create jobs in this country, to the manufacturers. They will tell you the biggest impediments they have are the cost of class actions, the cost of litigation, the cost of regulation and taxation—those things that we impose and that we can fix if we simply came together with a positive vision and commitment to work in a bipartisan way to get something done.

If you really care about moms and dads and their ability to put food on the table and to work, then figure out a way to pass an energy bill, a highway bill, class action reform, and deal with asbestos reform, which is a critical issue—pay for those who are hurt, but make sure the lack of reform doesn't drive companies under and hurt jobs, hurt the ability for mom and dad to take care of their family. I found out when I was a mayor that the best thing I could do for kids was to do those things to make sure mom and dad had a job. What we are working on today is another jobs bill. It is going to take working in a bipartisan way, putting aside some of the negative, why we cannot do it, how terrible things are. Let's focus on those things we can do to improve—and they are very clear—the opportunity for mom and dad to get a job. The way to change an economy this size is not like a race car ripping around the corner. It is more like one of those big boats that travel on Lake Superior. You just get it moving in the right direction.

I suggest that we are moving in the right direction. There is more work to be done. Let's get about the business of doing that.

With that, I yield the floor and 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. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENSIGN). Without objection, it is so ordered.

MISCELLANEOUS TRADE AND TECHNICAL CORRECTIONS ACT OF 2003

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 43, S. 671.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A 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.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I would like to comment on a bill that has traveled a long and difficult journey to get to the floor today; S. 671, the Miscellaneous Trade and Technical Corrections Act of 2003, commonly called the miscellaneous tariff bill.

In fact, this bill's journey began nearly 2 years ago. The Senate historically passes a miscellaneous tariff bill at the end of every Congress. The bill under consideration today was supposed to have been passed at the end of the 107th Congress. However, a markup scheduled for September 26, 2002 was cancelled, leaving the bill as unfinished business for the current Congress. Upon resuming the chairmanship of the Finance Committee, my intention was to complete unfinished business from the 107th Congress as quickly as possible. To that end we passed the bill out of the Senate Finance Committee by voice vote on February 27, 2003. It was hoped that early passage of this bill would pave the way for consideration of another miscellaneous tariff bill in the 108th Congress. But that was not meant to be.

Traditionally, miscellaneous tariffs bills are non-controversial and pass the Senate by unanimous consent. Sometimes there are attempts to load the bill down with costly and controversial items, which is why we didn't produce a bill in the 107th Congress. That's also the reason this bill was delayed this Congress. Contrary to traditional practice, a few Senators insisted on adding unrelated and controversial provisions. Unless we agreed to add these controversial provisions, these Senators would not allow the full Senate to consider the bill. In effect, a few Senators have held this legislation hostage for months for their own parochial purposes. And that is truly sad and disappointing. I hope these members know that they have all but guaranteed the end to this process.

This package contains many trade provisions, primarily duty suspensions, reductions and extensions, for products that are not produced domestically. This bill supports American factories and workers by allowing manufacturers to save money when they import these products. At this stage in America's economic recovery, we must give every opportunity to our manufacturers to reduce costs and pass the savings on to consumers.

A product generally must meet three tests to be eligible for inclusion in a miscellaneous trade bill: first, it must be non-controversial and non-competitive, that is there can be no domestic producer who objects to inclusion of the provisions. Second, the product should be intended to benefit U.S. downstream producers, that is someone who utilizes the product in manufacturing. Third, the volume of imports and corresponding revenue loss should be relatively small. To ensure that the provisions in this bill met that this test, each provision went through an extensive vetting process including a public notice and comment period to ensure that they were eligible for inclusion in the bill. This process began during the first session of the 107th Congress.

The bill also contains a number of liquidations or reliquidations for certain entries. The general rule for inclusion here is that the product entered the country under an incorrect duty rate due to Customs or other administrative error. These provisions allow those entries to enter the country at the correct duty rate.

We also included in this bill a provision that extends preferences under the Generalized System of Preferences (GSP) to allow duty-free treatment for hand-knotted and hand-woven carpets. This provision is designed primarily to help the citizens of Afghanistan and Pakistan. I believe that allowing these products to be considered as eligible articles under GSP, will help beneficiary countries that have joined the United States in the fight against global terrorism. With respect to Afghanistan, which is rebuilding and looking for opportunities for its people, this provision is needed now more than ever.

Another important provision in this bill corrects a mistake in the Trade Act of 2002, P.L. 107–210, that inadvertently and temporarily raised duties on Andean originating handbags, luggage, flat goods, work gloves and leather wearing apparel under the Andean Trade and Preferences and Drug Eradication Act, ATPDEA. This provision retroactively reinstates the reduced duty treatment for eligible products that entered the United States from August 6, 2002, the date ATPDEA was signed, and the time in which these products met the import sensitivity test, several months later. It provides for continued duty-free treatment for these eligible products, which was the intent of the Trade Act.

I am also pleased that the bill includes the Emergency Protection for Iraqi Cultural Antiquities Act of 2003. I introduced the EPIC Antiquities Act of 2003 to authorize the President to impose immediate emergency import restrictions on the archaeological and ethnological materials of Iraq. The purpose of this bill is simple—to close a legal loophole which could allow looted Iraqi antiquities to be brought into the United States.

If Congress does not act to provide the means for establishing an interim ban on trade, the door may be opened to imports of looted Iraqi antiquities into the United States. Already the press has reported allegations that European auction houses have traded in looted Iraqi antiquities. The last thing that we in Congress want to do is to fail to act to prevent trade in looted artifacts here in the United States.

Also included in the package is a provision that simplifies the U.S. Customs Service's ability to process commercial importations, thereby resulting in increased efficiency and productivity for both Customs and the trade community.

I want to point out that the provisions I have covered are not the only important provisions contained in this bill. This bill makes a number of other technical yet meaningful changes to our trade laws.

While I am very disappointed some members have delayed the passage of this bill, and even tried to kill this bill with controversial provisions, I would like to thank my colleagues who respected the traditional rules governing this important legislation. I appreciate their support.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Grassley-Baucus amendment at the desk be agreed to and that the bill, as amended, be read the third time.

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

The amendment (No. 2678) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The bill (S. 671), as amended, was read the third time.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 51, H.R. 1047, the House companion bill.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1047) 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.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the text of S. 671, as amended, be inserted. I further ask unanimous consent that H.R. 1047, as amended, be read the third time and passed; that the motion to reconsider be laid upon the table en bloc; and that S. 671 be returned to the calendar.

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

The bill (H. R. 1047), as amended, was read the third time and passed, as follows:

(The bill will be printed in a future edition of the RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will resume consideration of S. 1637, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

Dodd amendment No. 2660, to protect United States workers from competition of foreign workforces for performance of Federal and State contracts.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 2660

Mr. KENNEDY. Mr. President, first, I thank the Finance Committee and the leadership for getting this measure before us. This is important legislation. What is extremely important is the Dodd amendment.

As we approach early March, we have to ask ourselves in this body what we are doing about the general challenges we are facing all across this country, with very few exceptions. I will come back later to the state of our economy.

This legislation provides some resolution to some of the challenges we are facing. I think the Dodd amendment is enormously important and one that I strongly support and hope the Senate will take action on. I know there is consideration that we go off this bill and on to the budget, but it does seem to me, in terms of the timetable because of the strict limitations of time on the budget, we ought to continue the debate on the issues of jobs and the economy which is of central importance and consequence to people all over this Nation.

This debate should go on. I certainly join with those who believe the institution is ill served if we refuse to give the Dodd amendment the opportunity for a clear vote in the Senate. What the American people are looking for is action. They want accountability. They want responsibility. This amendment is a thoughtful amendment. It will be one that will make a difference in terms of the state of our economy in a very key area of economic policy, and that is the utilization of taxpayers' resources to effectively subsidize jobs going overseas.

We ought to be able to make a judgment about that in the Senate. So I applaud the Senator from Connecticut for this amendment.

I will take a moment or two to try to put it into some kind of perspective because, as he and others have pointed out, we are facing a serious economic challenge across this Nation. It is virtually uniform. In 48 out of the 50 States, new jobs pay 21 percent less than the old jobs they replace, with the exceptions of Nevada and Nebraska.

In the State I have had a chance to visit over the period of the last week, the State of New York, the new jobs are paying 38 percent less than the jobs they replaced. That is happening across this Nation, and I will get into the greater detail of it.

That is a national challenge and a national problem, and yet our Republican leadership refuses to permit us to deal with some of these issues. We can deal with a number of the issues. We can deal with the issue of the increase in the minimum wage where a majority of the Members of this body favor an increase. It would take about half an hour to debate that issue. We all know what that is about.

We could extend the unemployment compensation. Fifty-eight Members of the Senate want to extend unemployment compensation but our Republican leadership says no and this President says no. We could also defeat the Bush proposal to deny overtime from some 8 million of our workers in this country. This is the first time since the Fair Labor Standards Act has been enacted in this country, which recognizes a 40-hour workweek, that we have an administration proposing the elimination of overtime, and we will come back to that. This all starts down in the White House, make no mistake about it.

We have to have a President who wakes up every morning and says, we have a challenge and we can do something about it. Presidential leadership makes an important difference in terms of the state of our economy. We saw it in the early 1960s where we had the longest period of economic growth and price stability up until the time of the dramatic expansion of the Vietnam War, all during which we had Democratic leadership. We saw it with President Clinton, when Republicans refused to give us a single vote for an economic policy that produced 22 million jobs.

I remember my good friend on the other side, Phil Gramm, who said: This proposal makes no sense. Interest rates will go as high as the ceiling of the Senate and we will have the unemployed who will circle the Capitol.

I remember those words. How wrong he was, and how wrong this administration is and this President is about the state of our economy.

We have to have a President who wakes up in the morning and understands that the economy needs focus and attention. This President does not, and I will demonstrate why he does not.

I have the State of the Union speech: The pace of economic growth was the fastest in nearly 20 years. This is the state of the Union. This is the President's view of where we are nationwide, when 48 States out of 50 find new jobs are paying 21 percent less than the old jobs.

This is what he says: The pace of economic growth in the third quarter was the fastest in 20 years. Productivity is high and jobs are on the rise. This is the state of the Union.

Just a few days later he is speaking about the state of the Union when the President meets with the workers on his travels to Springfield, MO: We have overcome a lot. That is because we are growing. The growth is good. New jobs are being created. Interest rates are low. A lot of it had to do with the fact we cut your taxes. The economy is growing, growing, growing.

The President of the United States says that about the state of the economy.

Here he is just a week ago at the National Governors Association: The economy and jobs are on my mind. I am pleased the economy is growing.

Tell that to the more than 2 million Americans who have lost their jobs under this administration, who are waiting for jobs. Tell them the economy is just going hunky-dory.

Now what is happening? This is the projection the President has made about job growth since the time he became President of the United States. The difference between his projection and the reality is 5.2 million jobs short of his promise when he became President of the United States. That is the reality.

Take a look at what he said each year and where these promises have come out. When we take a look at the year 2002 promise by the purple line, these are the projections of growth. Well, then he comes back to 2003. That is not going to happen. We are going to come back to 2003. This is the millions of jobs that are going to grow in the United States. It is going to be that green line. No, no, that is not right; 2002 was not right. I am going to tell you what is going to happen in 2003. It is going to be this level.

The fact is, this is the red line and it is constantly down. Why does the President constantly misrepresent what is happening in terms of jobs across this country? The fact is, people are hurting.

We can look at the restored economy. The President refers to the state of the economy and how the recession is over. Look at the state of comparing the current recovery to the recoveries over the period of the last 40 or 50 years. Let's look at job growth recoveries even before 1991. The recoveries from 1991 to 1993 under the Democratic administration, look at the job growth going up. Look at where the jobs are occurring under the current recovery, and this President says everything is hunky-dory?

Talk about jobs, look at the record. The record speaks for itself. Look at what is happening to the average wage of jobs lost in 2001 and the average wage of jobs created today. This is the Bureau of Labor Statistics. The average wage in 2001 of jobs lost was $44,570. The average wage of jobs gained is $35,000. That is a 21-percent reduction in the average wage between 2001 and today.

This President says in the State of the Union that everything is fine. Economic growth is at the fastest rate in 20 years, jobs are on the rise.

This is what is happening out in real America. This is happening out across this country. It is happening not only in the Northeast, it is happening in South Carolina, which has lost more manufacturing jobs per population than any other State in the country, let alone what is happening in the Midwest and the Southwest.

Look at this chart, which is an indicator of what happens to wages when coming out of a recession. The President said we had inherited a recession but now everything is going well.

We have had these series of recessions from the 1990s all the way up to 2000. In the fourth quarter, that is what the uniform measurement is to indicate, whether one is coming out of a recession.

Look at the increase in wages from $16 to $18, all during the 1990s, up to the year 2000. Look at the current recovery from 2001 to 2003: old jobs $16, new ones $15. There it is again. This Bush economy creates new low-paying jobs, and it is reflecting itself across this country.

This chart shows the States with jobs shifting to lower paying industries. The darker green are all the States where that has happened. There are two States, Nebraska and Nevada, in the country where the new jobs are paying more than the old jobs. They are the only two States. In the other 48 States, new jobs are paying an average 21 percent less.

That is happening. Not only are we over 2 million jobs below where we were when this President took office, but even the new jobs that are being created under this administration are tragically low paying.

In terms of what they are doing to the families, the result of this is very clear. This is just a very quick picture of what is happening to families under this administration. You have 13 million children, now, who are going hungry. You have 8 million Americans who are unemployed, and 8 million Americans who fear they are going to lose overtime. This isn't bad enough about what is happening to wages, but now the administration says it is going to take overtime pay away from workers. We might have a lot of economic problems in this country, but the idea that firefighters, policemen, and nurses are getting paid too much doesn't appear to me to be one of them. It does to the administration.

Look what has happened. We have 7 million workers waiting 7 years for a raise in the minimum wage. Where are the Members in the Republican leadership? When is this President going to say 7 years at $5.15 is too little in this country? We have a majority of the Members of this body who will vote for an increase in the minimum wage. Why are you stifling that? Why do you block it, year after year after year? That is the record, 7 million.

The recipients of the minimum wage are mostly women, 62 percent women. It is a women's issue. It is a children's issue because one-third of the women have children. It is a children's issue and a women's issue. We don't want to hear from the other side about family values anymore. These are families, single women, trying to bring up their children. It is a civil rights issue. Most of those who earn the minimum wage are men and women of color. And it is a fairness issue. All Americans understand fairness. They say if you work 40 hours a week, 52 weeks a year, you should not live in poverty.

But, no, we can't even get a vote. We can't even get accountability. Everything is going fine. That is what the President said in the State of the Union. That is what he just told the Nation's Governors. Everything is fine. Everything is good.

Now the Senator from Connecticut has a concrete proposal to do something about it, and he is denied the opportunity to get a vote up or down. What is with this Republican leadership?

These are some of the challenges we are facing. I will just give an example of what has happened in recent times, in terms of our recovery. We hear how well things are going on Wall Street. We have heard that time in and time out. Look at this chart. This is ''The Corporate Profits Ballooned Compared to Workers' Wages.''

Look at what happens, the difference between wages and corporate profits for the economic recoveries during the 1990s: 60 percent of the expansion of the economy went to wages; 39 percent went to corporate profits. Now, in the year 2002, look at today's recovery: 86 percent is going to profits and 13 percent to wages.

You wonder why workers aren't getting paid as much? There it is, it is as clear as can be. There may be a chart here you might be able to explain, but you can't explain them all. You can't explain the number of children in poverty, the number of children who are hungry. You can't explain the allocation of wages and what is happening in

real wages. You can't explain the fact that 48 out of the 50 States are losing good-paying jobs that are being replaced with jobs that don't pay as much. This economy needs focus, it needs attention, and it needs action.

The proposal of the Senator from Connecticut is action. We have debated it, discussed it, but somehow we have a sense we get a slow walk around here, a slow walk. We are being denied the opportunity to get a chance to address some of these issues. Why aren't we getting a chance to address some of these issues on unemployment? We have 58 Members of this body, Republican and Democrat alike, who want to extend the unemployment compensation to workers who have worked hard and paid into that fund. The fund is $15 billion in surplus which these workers paid in. The total cost of the proposal of the Senator from Washington is $5.5 billion. It will still be in surplus.

We have 90,000 workers a week—listen to this. Mr. President, 90,000 workers a week across this country are losing their unemployment compensation; 90,000 a week. That is per week. That is happening all across this country. These are men and women who have paid into the unemployment compensation fund. Generally, when we have had these kinds of economic crisis, we have extended the unemployment compensation to workers when we have a decline in the economy. Does anyone in the world believe that workers in 48 out of 50 States who are losing their jobs, who are seeing a decline in their income, that it is their fault? Of course it is not their fault. It is the failed economic policies.

You know, it would be one thing if we had an administration and President who said: Oh, yes, that is right. But here we just have statements after statements about how well it is all going for workers across this country, and that just is not so. That is of central concern to families all across this Nation.

We have an opportunity this morning to make a small downpayment with the Dodd amendment. It demands action. It makes sense. It will do something—not everything, but it will be a strong indication to workers in this country that we are taking their plight seriously and that we want action on their behalf. That is what the Dodd amendment is. It would be absolutely irresponsible if this body refused to give us a chance to get a vote on this kind of amendment. It is so important for workers, for families in this country. It would send such a message to families across this country that this institution hears what is happening to their children, to the young people, to the families who can no longer afford the college tuition that has been exploding; to the families who can't afford the prescription drugs because the costs escalated so dramatically over this period of time.

To all of those families and the families who are losing their unemployment compensation, who are going to have difficulty paying the mortgage and putting food on the table and looking out for their children, this is a family issue, a fairness issue, and the Dodd amendment moves us in the right direction.

Mr. DODD. Will my colleague yield?

Mr. KENNEDY. I yield.

Mr. DODD. I raise an issue, because it has been raised in the last 24 hours or so, that one of the things the administration is doing is putting resources into vocational education, education and job training. I know my colleague, from his extensive work in this area, and knowing the committees we serve on together deal with some of these issues, but you might just recount what the proposals are in vocational education, job training, all of these programs that would put more resources out there to make it possible when people lose their jobs to find additional work. Isn't it a fact we are cutting back in these budgets?

Mr. KENNEDY. The Senator is quite correct. The Senator probably remembers the State of the Union speech where the President announced a new program in association with community colleges—$250 million. Then he went out the next couple of days and went to community colleges and worked with local workforce groups about this issue.

At the same time, they have cut $800 million from the identical training programs in the last two budgets. That is the record. We can go back. I haven't got the appropriations here, but I know it. I am familiar with it because we resisted it and we had amendments here. Again, there was an amendment from the Senator from the State of Washington to restore the training programs. Nonetheless, those programs were cut.

You talk one way one day and another way another day. We saw the classic example of it in the State of the Union. We were talking about: Oh, yes, we are going to have a workforce community-based community college program to upgrade the skills. But in the previous year, and the year before, cutting those work training programs. People aren't stupid on this. They know it. I am sure they know it in Connecticut. I know they know in my State, on these workforce investment boards, what is happening and its devastating impact.

We had a strong bipartisan effort, when Senator Kassebaum and Senator JEFFORDS chaired, as the Senator from Connecticut remembers. First we had the JTPA, a program we worked out in a bipartisan way in the committee that was chaired by Senator Dan Quayle. People differ about Senator Quayle. He was a stalwart on job training. It was the only social program that passed, as the Senator remembers, during the first 4 years of President Reagan and it took a lot of courage for Dan Quayle.

Then we went beyond that. Because we had over 125 different job training programs in 12 different agencies, we wanted to get these pulled together, so we had a Kassebaum-Kennedy commitment to get workforce training in one place. It was bipartisan. We began to fund it and then what happens? As soon as we begin to get life in that, this administration effectively guts this program.

Mr. DODD. I remind my colleague, and I am sure he knows these numbers, this year's budget proposal reduces worker investment programs by $400 million. So here you have 2.8 million jobs being lost in manufacturing. Those people who cannot find work are getting jobs at far less wages and salaries than they had in their previous job. Yet we find when it comes to worker education and investment issues the budget actually reduces the amount we are going to commit to those programs by almost a half a billion dollars. I wonder if my colleague has something to say about that.

Mr. KENNEDY. The Senator is absolutely correct.

I answer the Senator in this way. The Senator's amendment is so timely. We have three—I believe we have seven, and I have others back at my office—national or international magazines. This is February 21, The Economist, ''New Job Migration.'' Here is BusinessWeek, ''Will Outsourcing Hurt America's Supremacy?'' Here is Time magazine, March 1, ''Are Too Many Jobs Going Abroad?''

These are national publications—national magazines. That is what the debate is about. The Senator from Connecticut has an amendment dealing with these very issues. Nothing could be more current.

Why aren't we getting an opportunity to debate these issues which just about every publication in the country understands is a major issue, and certainly every working family in this country understands. The Senator has proposed an approach on this that can make a major difference. I am troubled, as he must be, that he is not able to get a clear-cut judgment decision.

Mr. DODD. I thank my colleague. I was prepared to vote. We offered the amendment at about 3:30 yesterday afternoon. This is a very simple proposal.

There are those who are for outsourcing. The administration has indicated that it is a good thing for the economy to outsource jobs. I presume there are people in the Chamber who share that view. Why not vote up or down instead of going through the gyration of trying to find some cute way of avoiding having to vote on this issue or coming up with some phony alternative believing that outsourcing is good for the economy? I think shipping jobs away, destroying the manufacturing base and human capital investment that makes it possible in the 21st century for us to be competitive in a global economy is the wrong way to proceed.

I understand there are those who disagree with me on that. If they do, come down and vote no. It is that simple, and the Senate can speak on this issue.

Mr. KENNEDY. The Senator has put the case well. The other part goes beyond the question about whether you favor that or not—the tax provisions which have been included in the proposal which are basically subsidizing. You have workers who are basically subsidizing the export of other jobs, which is being addressed by the Senator. You ask, What in the world? This is a matter of public policy. Does that make sense? Several enormously important public policy issues and questions are included in the Dodd amendment. They deserve debate and they deserve action on the floor of the Senate.

I conclude and remind our colleagues about what is happening across the world. That is on this chart. American workers are working longer. American workers are working harder. American workers saw their incomes go down over the period of the last 2½ years.

These are all of the other industrialized nations in the world.

It isn't only these workers. Women in our society, women are working longer and harder.

Our challenge isn't about American workers, it is about the policies. The Dodd amendment gets to those policies. The American workers are entitled to accountability on it.

He has an excellent amendment, one that I support and which hopefully we will have an opportunity to get to.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have sat here and listened to my two distinguished colleagues on the other side of the aisle. I have to admit I believe the distinguished Senator from Massachusetts is one of our most colorful Senators in the Senate. He is a person I respect, and with whom I have a personal friendship. But that doesn't mean we agree on a lot of the things he says. In fact, we don't.

I don't think President Bush has been saying the economy is hunky-dory, to paraphrase what the distinguished Senator from Massachusetts characterized the President as saying. I think the President realizes there have been lots of problems that have arisen, as each President has had to face problems. He has faced them in large measure in a whole variety of ways, but in large measure by cutting taxes, which now happens to be paying off because we have gotten great benefits from the cuts in taxes. Frankly, 125,000 jobs a month are coming back. That is not something to sneer at.

I might also mention we get nothing but screams on the other side of the aisle that unemployment compensation isn't being continued. But I remember back in the Clinton administration when unemployment was, I believe, at 9 percent—certainly higher than it is today—and they discontinued unemployment compensation, and they controlled the Senate floor. Today, we have a 5.6-percent unemployment rate, which is one of the lowest we have had in years. If you look at it from the other survey, which I think is probably more accurate, it is probably lower than that.

For anybody to say we don't have problems in this society today would be wrong. But we had problems in our society through all of the Clinton years as well.

By the way, when President Clinton came into office, we were definitely coming out of a recession, and he reaped the benefits of many of the things that President Bush 1 actually did. He had a number of very good years. I don't believe it was because they increased taxes the way they did. It was because we were already starting to come out of the recession and one of those cyclical periods.

Let me just say this: When President Clinton left office, I don't think anybody could deny that in the last year of his term in office we were starting into a recession again, which President Bush inherited.

To stand there and blame President Bush for everything that has gone on is wrong, and it shouldn't be done. And to indicate that President Bush says everything is hunky-dory, that there are no problems in our society, is to ignore many of the statements President Bush has made and that his administration has made.

If we had listened to our friends on the other side, over the last year alone we would have spent $1 trillion more. Our budget would have been so out of whack we would never get it back.

Yet they are trying to tell the American people they are the fiscally responsible party? We can't bring up a spending bill that they don't want to double. They think that is good for the economy.

On the minimum wage, look, I suspect minimum wage will be increased this year. I remember only one time when the Senate voted down the minimum wage, and that was because the distinguished Senator from Massachusetts and others tried to overdo it just a short time after the last raise.

We are talking about jobs, too. Just remember that every time the minimum wage rate goes up, all kinds of kids—mainly young African-American kids who can't get those starter jobs—wind up being on the unemployment rolls, many of them for the rest of their lives. Some estimate it as high as 600,000 of them every time the minimum wage is increased.

I think it is a great argument to argue about the minimum wage and how we want to get people more money, and then turn around and say we are losing jobs in North Carolina and South Carolina without acknowledging the fact that the reason we are is because China is paying people 39 cents an hour for textile work.

We are either going to have to have the Federal Government pay to resolve these problems in every way, which would cost billions and billions of dollars more, boosting up one aspect of our economy that basically we have lost because of competition—or, we will all have to begin to understand competition. This country is the most competitive country in the world. We are the most productive country in the world. However, we need to recognize and focus on our strengths.

In all honesty, if our friends on the other side are really sincere about creating jobs, why did they refuse to go to conference on the Workforce Investment Act? That bill has been put back light years because of the refusal to go to conference and resolve this matter. This has offended the House and now we may or may not get that bill. That would be a helpful bill with regard to jobs.

We should be wary of retaliation. I respect my friend from Connecticut, as well. But sometimes we do not think it through when we do these broad, oversweeping things like preventing government outsourcing. We should be wary of retaliation against United States companies that get awarded foreign government contracts. Let me give a few examples.

Entrust is a perfect example. Internet security company Entrust Inc. was awarded a $17.6 million contract by BCE Nexxia for enhanced Internet security software and services for the Canadian Government's Secure Channel project.

By the way, you could name dozens of companies that are doing the same.

''The contract is the largest in Entrust's history and reflects how we are collaborating with service providers to deliver solutions tailored to the government, financial and Global 100 enterprise market sectors we announced in early June,'' CEO Bill Conner said in a statement.

BCE Nexxia, leading a consortium including BCE Emergis and CGI, was awarded a $37.6 million contract to build and manage a technology infrastructure for the Canadian Government. The company, a division of Bell Canada, provides communications services and operates an IP-broadband network. Bell Canada is 80-percent owned by BCE Inc. of Montreal and 20 percent by SBC Communications Inc. of San Antonio.

I could go on and on about this.

Computer Sciences Corp. of El Segundo, CA, won a contract to replace Human Resources Development, Canada's network operating system, with new hardware and software, the company announced November 15.

Human Resources Development Canada provides Canadians with employment insurance, income security, employment programs, corporate services, and homelessness and labor services using several means, including walk-in services, automated telephone systems, and self-service kiosks. About 26,000 agency employees use the network. The contract includes IT architecture,

software license arrangements, server hardware, and services for transition, migration, implementation, support, and maintenance.

My gosh, one reason we are trying to do the FSC/ETI–JOBS bill is to jump-start our economy and because we are being assessed $4 billion in trade sanctions if we do not resolve some of these conflicts in our relationship with the E.U.

Want to lose jobs? Don't support this bill or keep gumming it up. And we are gumming it up with legislation that literally will cause even more angst and will probably cost us $4 billion in the end. And that means jobs.

''This is an important contract for CSC in the Canadian federal government information technology market and further expands our presence in Ottawa region,'' said Tony Canning, president of CSC's Canadian operations. ''We look forward to serving HRDC in implementing and supporting the state-of-the-art networking system.''

In support of CSC, Compaq Canada Inc., Richmond Hill, Ontario, subsidiary of Houston-based Compaq Computer Corporation, will provide server technology and CDI Corporate Education Services Corporation of Toronto will offer training services.

Digimarc ID Systems, a wholly owned subsidiary of Portland-based Digimarc Corporation, has extended an agreement with the Brazilian Government.

The Bedford, MA, based—that is a Massachusetts company, by the way—based subsidiary announced Tuesday the Brazil Federal Police has contracted with Digimarc ID Systems to continue producing the country's alien ID cards. Since 1997, the Brazil Federal Police has issued more than 1.5 million of the cards to people who live in Brazil under work or immigration visas. Digimarc ID Systems provides hardware, software, maintenance, and operations support to the Brazil Federal Police.

What are we going to do, have countries all over the world retaliate against us because we are going to have a bill here that is filled up with this type of stuff?

Harris Corporation, an international communications equipment company, and RAYLEX S.A, Harris's representative in Chile, announced today the signing of a contract valued at $11 million with the Chilean Government. The contract includes the complete supply and buildout of the world's largest microwave network. The network will cover a total of 4,500 kilometers, interconnecting phone services, data, video conferencing, and other multimedia services for the customer. Extending from Arica in northern Chile to Puerto Mont in the southern part of the country, the network is expected to benefit both cities' metropolitan regions as well as all major cities between Arica and Puerto Mont.

We are all concerned about preserving American jobs, but we need to make sure the cure is not worse than the disease.

I am getting tired of cheap shots being made against President Bush. I got tired of some that were made against President Clinton and against President Carter, because I was here. It is time to work together and this bill is one of the most important bills in recent history because it will create jobs. It will jump-start the economy. It will save us $4 billion in trade sanctions. It will help us.

We should not be debating this for days and days. We ought to pass this bill. We ought to pass this bill and get it going. We have to resolve the conflicts between the House and the Senate. That is always difficult, but we have been able to do it in some of the major bills of the past.

It is misleading for people to come to this floor and just chop up the President, who is doing the best he can, and who is a great sponsor and supporter of this particular piece of legislation, which is one of the most important pieces of legislation with regard to jump-starting this economy and jump-starting jobs in this economy.

It is time to work together and quit trying to make political points and get something done. I suggest we do a little less screaming on the floor and a little more work and get this bill passed as soon as we possibly can.

AMENDMENT NO. 2680 TO AMENDMENT NO. 2660

Mr. MCCONNELL. On behalf of myself and Senator FRIST, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] for himself and Mr. FRIST, proposes an amendment numbered 2680 to amendment 2660.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To protect the jobs of American workers)

On page 7, strike lines 10 through 14 and insert the following:

This title and the amendments made by this title shall take effect 30 days after the Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the U.S. economy. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

Mr. MCCONNELL. I rise today to offer on behalf of the majority leader and myself a second-degree amendment on behalf of the 6.4 million Americans who earn their livelihood in our country while working for foreign corporations.

This amendment is very simple. It delays the effective date of the outsourcing provisions until the Secretary of Commerce certifies the amendment made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the United States economy. In short, it is a do-no-harm provision. Remember, 6.4 million Americans have their jobs in the United States as a result of foreign companies doing business here.

Senator DODD's fundamental goal of encouraging and protecting American jobs is certainly a sound one. No one can argue with that. However, it may jeopardize many more jobs in the process of trying to achieve a laudable goal. These 6.4 million Americans depend on salaries from foreign corporations to feed their children, provide them shelter, education, and health care.

If America erects a global jobs barrier, nations around this world may retaliate in kind. This would put at risk those 6.4 million jobs I have been talking about. These are real numbers, real jobs, and real families put at risk.

Yesterday, the Senator from Connecticut stated he was told over the next decade over 3 million American jobs may be outsourced. Unfortunately, with American jobs at stake we cannot risk what is or what may be. What is, right now, is the existence of 6.4 million American jobs, not over the next decade but right now, real numbers calculated by the Census Bureau.

Let's just take Kentucky, for example. We have 104,100 people in my State employed by foreign companies or their affiliates. That is a lot of jobs in a State of 4 million people. It is a huge number of jobs.

In Connecticut, 116,000—even more than in Kentucky—jobs are held by citizens of Connecticut who are working for foreign corporations doing business in Connecticut. These pale in comparison to what is at stake in the State of Massachusetts—223,300 jobs—Massachusetts citizens working in Massachusetts for foreign corporations—an astonishing number, indeed. Again, in Massachusetts, nearly a quarter of a million workers, their families and their children, are put at risk potentially by the amendment of the Senator from Connecticut—real jobs and real families facing real unemployment and real hardship.

For the sake of these jobs, I strongly urge my colleagues to adopt the amendment I have just offered. The underlying legislation is the JOBS bill. That is what this underlying bill is all about: American jobs.

It is counter to this legislation and our duties here as Members of this body to take action which puts 6.4 million American workers' jobs at risk. That is not what we ought to be doing on the floor of the Senate.

Finally, let's just drive the point home by looking on a State-by-State basis at how many jobs are in the United States as a result of foreign corporations doing business in our various States.

Let's start at the top of the alphabet: Alabama,76,800 jobs; Alaska, 11,600 jobs;

Arizona, 75,200 jobs; Arkansas, 40,400 jobs; California, 737,600 jobs—the number of people in California in jobs as a result of foreign corporations doing work in California; in Colorado, 101,000 jobs; in Connecticut, as I mentioned earlier, 116,000 jobs; in Delaware, 33,400 jobs; in the District of Columbia, 17,100 jobs; in Florida, 306,900 jobs—Floridians working for foreign corporations; in Georgia, 223,900 jobs; in Hawaii, 43,300 jobs; in Idaho, 14,200 jobs; in Illinois, 317,100 jobs; in Indiana, 165,900 jobs; in Iowa, 40,300 jobs; in Kansas, 60,600 jobs; as I mentioned earlier, in the Commonwealth of Kentucky, 104,100 jobs; in Louisiana, 61,100 jobs; in Maine, 33,400 jobs; in Maryland, 110,400 jobs; as I mentioned earlier, in Massachusetts, 223,300 jobs; in Michigan, 246,500 jobs; in Minnesota, 103,100 jobs; in Mississippi, 23,900 jobs; in Missouri, 105,100 jobs; in Montana, 6,800 jobs; in Nebraska, 21,800 jobs; in Nevada, 35,700 jobs; in New Hampshire, 45,900 jobs; in New Jersey, 269,100 jobs; in New Mexico, 16,300 jobs; in New York, 471,600 jobs; in North Carolina, 261,600 jobs; in North Dakota, 8,600 jobs; in Ohio, 259,400 jobs; in Oklahoma, 41,800 jobs; in Oregon, 62,300 jobs; in Pennsylvania, 280,800 jobs; in Rhode Island, 24,400 jobs; in South Carolina, 137,600 jobs; in South Dakota, 6,900 jobs; in Tennessee, 148,600 jobs; in Texas almost a half million—437,900—jobs; in Utah, 37,400 jobs; in Vermont, 11,600 jobs; in Virginia, 179,200 jobs; in Washington, 104,200 jobs; in West Virginia, 27,600 jobs; in Wisconsin, 106,800 jobs; in Wyoming, 7,800 jobs.

There is an enormous number of Americans—6.4 million Americans—working in America, working in our country, employed by foreign corporations. We do not want to gamble with that. Outsourcing is a matter of concern, but we are proud of the insourcing that is going on, too, and the fact there is an enormous number of foreign corporations that have come into our country because they think it has a good business environment, because they want to employ Americans to produce products here in our country.

Mr. President, I hope this amendment on behalf of the majority leader and myself will be adopted.

Mr. GREGG. Mr. President, will the Senator yield for a question?

Mr. MCCONNELL. I will.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I think the Senator has made an extraordinarily strong point. I noticed when he got to New Hampshire, he said 45,000 jobs in New Hampshire are tied to businesses which are non-American owned. Is the Senator aware the largest employer in the State of New Hampshire is not an American company?

Mr. MCCONNELL. I did not know that, and I think that is a very interesting point to be made.

Mr. GREGG. Literally thousands of people's lives would be affected if that country, which happens to be England—our closest ally, closest friend, one of our largest trading partners, after Canada—if that country were to take the view that is being taken by the Senator from Connecticut, that they should deny their companies creating jobs in the United States. That company would be closed down in Nashua, NH, our second largest city and our largest employer. Is the Senator aware of that?

Mr. MCCONNELL. I was not aware of that, but it certainly illustrates the point the Senator from Kentucky was trying to make.

Mr. DODD. Will the Senator yield on that very point just made?

Mr. GREGG. I do not have the time.

Mr. MCCONNELL. I have the floor. I yielded to the Senator from New Hampshire.

Mr. DODD. I would just like to point out——

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. MCCONNELL. If we could have one at a time, Mr. President. I yielded to the Senator from New Hampshire for a question.

Mr. GREGG. Mr. President, I was wondering if this does not also flow into the issue of our ability to access other markets. If we are in the business of trade, where 30 percent of the jobs in New Hampshire are tied not to being owned by a foreign country but being able to sell products to a foreign country—30 percent of our jobs; for one in three workers in the State of New Hampshire, their job is directly related to the fact that the product they make is sold overseas—is it not logical that if we begin to close down our borders, we are basically opening a trade war, and that we could potentially close down those jobs, too, because some nation may retaliate in some other way other than not allowing outsourcing?

Mr. MCCONNELL. I say to my friend from New Hampshire, that is precisely the point. I think retaliation would be the order of the day. I will give you an example in my State. The Japanese corporation Toyota chose to outsource from Japan to the United States over 8,000 jobs to Georgetown, KY, to build the Toyota Camry. Eight thousand Kentuckians are employed at that particular site as a result of the outsourcing from Japan of those jobs into my State. They are high-paying jobs. We are extremely pleased they are there, and we would not want to do anything to jeopardize the existence of Toyota or the 50 or 60 supplier plants that have come into my State as a result of the Toyota company being there to send parts to the Toyota plant. Under their ''just in time'' supplier strategy, they send parts up there every day to be installed in those cars, employing a dramatic number of Kentuckians in addition to the 8,000 who are there at that site.

So the Senator from New Hampshire is exactly on point. I thank him for his contribution.

Mr. GREGG. Mr. President, I appreciate the Senator pointing those out in specific terms as to what the potential effect of this language might be. It is using a club to address an issue which is an issue, a concern, which is, obviously, our competitiveness as a society. But isn't the key to our competitiveness not to shut down markets, but to open markets, and to allow products which we make better than other countries to be sold into those countries?

Wouldn't this amendment in the end probably lead to a loss of jobs in the United States, not only from nations such as Japan saying they were not going to outsource their jobs, but our people who are employed in selling products overseas potentially losing their jobs?

Wouldn't it fundamentally undermine the whole concept of opening barriers for trade, creating more opportunities for trade and, as a result, lead to potentially a chilling environment which would have a huge impact on our economy, the largest in the world?

Mr. MCCONNELL. I think the Senator from New Hampshire is precisely correct. It has been the policy of the leaders of both political parties in recent decades to break down barriers overseas, to expand trade, to move us into the global economy in a more and more dramatic fashion, the feeling being that America in the global economy can be a winner and is a winner.

I think the Senator from New Hampshire is precisely on target, and I thank him for his question.

Mr. GREGG. If I may ask an additional question, this is such a crucial issue. We hear now, from the patter of the national campaign on the other side of the aisle, that maybe we should move back toward protectionism. This amendment to me is a stalking dog for that sort of an attitude. It is colored by fairness and reasonableness. But as a practical matter, its effect will be to create retaliation, as we have discussed.

I guess my question is this: Are we a nation that believes we can compete in the world or aren't we? Are we a nation that believes our people are smarter, brighter, and more productive than anybody else in the world or aren't we?

I look at New Hampshire and I know our people are smarter, brighter, and more competitive. I look at Connecticut, a neighboring State which I know quite well. Every time I drive through Connecticut I am impressed. I know it is built on smart, bright people. I suspect that is the case in Kentucky, too.

My question is, Are we so fearful of our capacity to compete as a nation that we must put forward this new concept which we hear pattering from the other side of the aisle toward us of protectionism or should we follow what the great leaders of our Nation—Truman, Roosevelt, Franklin by the way, not Theodore, Kennedy, Johnson, Clinton—stood for, which is that we are a nation that competes and competes well?

Mr. MCCONNELL. We absolutely should stand for competition and be confident that our own people have the intelligence and the ingenuity and the energy to compete in the global economy.

I don't think we should be afraid of this at all. I think the Senator from New Hampshire is precisely on target. This is why the voting record of, say, for example, the Democratic nominee for President reflects a belief in free trade, a consistent pattern of voting for free trade agreements.

I hope this bipartisan support we have had for breaking down barriers and competing in the word market and moving in the direction of free trade will not be jeopardized in this Presidential election year.

Mr. GREGG. I appreciate the Senator's courtesy.

Mr. MCCONNELL. I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, these Senators speaking remind me that ''made in America'' has always been a badge of honor, a badge of distinction—''made in America.'' It shows that America can compete. America has competed and America has won over the long, long haul.

We have been hearing from the defeatist wing of the Democratic Party, not from the wing of the Democratic Party that says the United States can compete and win and can even do it from a position of leadership. I am not prepared to be a defeatist in international trade. I intend to wear that badge ''made in America'' with honor, as it has been for decades and decades.

I think we need to remind the Senate now, after 24 hours on this legislation, what we are facing. It looks as if we have from here until hell freezes over to get this legislation passed. Already we are in a situation where the United States is suffering as a result of inaction by Congress. People need to remember that Senator BAUCUS and I worked very carefully to put together a bill that would go through this body very easily, and now we are seeing it stalled with things that may be legitimate issues. But while people are complaining about jobs going overseas, this bill that was voted out of committee 19 to 2 is being stalled.

In the process of stalling, U.S. manufacturing is already facing a 5-percent surcharge by Europe, to the point where it is not a case of just paying 5 percent more.

It is probably the case with a lot of our products that our products might not even be competitive and we are not selling. When you can't sell, people are laid off. So I think instead of worrying about situations that you want to help for the future, we have an opportunity to keep jobs that we know exist today, will continue to exist, and are only in jeopardy because of sanctions being put on our products by Europe.

We might be facing an amendment on overtime coming up shortly. It is one thing to worry about people getting overtime, but if you don't have a job, you can't even get overtime. So we have to get back to the basics. The basics are what this legislation is all about—maintaining the competitiveness of our industry, not going backwards.

While this bill is being stalled by other issues that are very legitimate—and I have talked to the Senator from Connecticut about the legitimacy of his issue and also about some modifications he made to get this through—it is holding up a bill that came out of committee 19 to 2. Those two votes were not cast by Democrats against the bill. They were cast by Republicans.

This bill should go forward to get rid of that 5-percent surcharge that we have on our products. In April it is going to be 6 percent, and in May it is going to be 7 percent. By the election it is going to be 12 percent. That is the basic issue before us.

I also wish to address some of the things that Senator KENNEDY said. I don't want to address them from my point of view. I wish to address them from the point of view of the intellectual wing of the Democratic Party. We heard from the political wing of the Democratic Party by Senator KENNEDY. So I would like to refer to an article written by Robert B. Reich, Secretary of Labor in the Clinton administration, a Secretary of Labor concerned about the rights of labor, concerned about jobs. He also is an adviser to the Democratic candidate for President. He ought to be listened to. This is what former Secretary Reich had to say in an article, printed December 26:

> It's hard to listen to a politician or pundit these days without hearing that America is ''losing jobs'' to poorer nations—manufacturing jobs to China, back-office work to India, just about every job to Latin America. This lament distracts our attention from the larger challenge of preparing more Americans for better jobs.

It seems to me that what Secretary Reich is saying to the political wing of the Democratic Party from the intellectual wing of the Democratic Party is we ought to be looking to the future, there are big challenges out there, and you should not spend all of your time haranguing about stuff that maybe you can't do a whole lot about.

''Most jobs losses over the last 3 years,'' Professor Reich says, ''haven't been due to American jobs moving anywhere.''

I will start that over again:

> Most jobs losses over the last 3 years haven't been due to American jobs moving anywhere. They have resulted from an unusually long job recession. Hopefully, that is coming to an end.

It is, and that is my parenthetical comment.

> We can debate whether the Bush administration has done a good job, or the right things to accelerate a job recovery, but job growth eventually will resume—

Parenthetically, we know it is resuming—

> as aggregate demand bounces back.

Continuing to quote:

> It is true that U.S. manufacturing employment has been dropping for many years, but that's not primarily due to foreigners taking these jobs.

Let me stop there. Senator KENNEDY, do you realize the intellectual wing of your party says manufacturing employment dropping hasn't been primarily due to foreigners taking these jobs? Then I quote:

> Factory jobs are vanishing all over the world. Economists at Alliance Capital Management took a look at employment trends in 20 large economies and found that between 1995 and 2002, 22 million factory jobs had disappeared. The United States wasn't even the biggest loser. We lost about 11 percent of our manufacturing jobs in that period—

Wasn't most of that 5 years during the Clinton administration?

> [B]ut the Japanese lost 16 percent of theirs. Even developing nations lost factory jobs: Brazil suffered a 20 percent decline, China a 15 percent drop. What happened to factory jobs? In two words, higher productivity.

Parenthetically, that is exactly what we have seen in the U.S.—higher productivity over the last year and a half. Last month was the highest productivity in 50 years. You have to go back to July 1950 to have the productivity gains that we have had.

Professor Reich goes on to say:

> I recently toured a U.S. factory containing two employees and 400 computerized robots. The two live people sat in front of computer screens and instructed the robots. In a few years, this factory won't have a single employee on site, except for an occasional visiting technician who repairs and upgrades the robots, like the gas man changing your meter.

I suppose I could quote the whole long article, but there is one other thing I ought to say. The intellectual wing of the Democratic Party is advising everybody, but it is good advice for the political wing of the Democratic Party as well:

> We should stop pining after the days when millions of Americans stood along assembly lines and continuously bolted, fit, soldered, or clamped whatever went by. Those days are over. And stop blaming poor nations whose workers get very low wages.

Professor Reich asks the question: ''Want to blame something?''

If the political wing of the Democratic Party wants to blame something for loss of these assembly line jobs, he says: ''Blame new knowledge.''

Well, isn't that something we expect in the evolving world—new knowledge and making use of new knowledge?

He says here:

> The Internet has taken over the routine tasks of travel agents, real estate brokers, stockbrokers, and accountants. With digitization, high-speed data networks and improved global band width, a lot of back-office work can now be done more cheaply abroad. Last year, companies headquartered in the U.S. paid workers in India, China and the Philippines almost $10 billion to handle customer service and paperwork.

Well, this article is probably summed up in a subheadline in the middle of the article, which says: ''Remember the elevator operator? Jobs become extinct.''

Isn't that true? But in the Senate we still have elevator operators running automatic elevators, pushing buttons that somehow a Senator doesn't have time to push or something.

What does the political wing of the Democratic Party want? Do they still want people making buggy whips when we don't have buggies anymore? Times change, but the defeatist wing of the Democratic Party has lost confidence in America. They don't think ''made in America'' is a badge of distinction anymore.

There is one other reference I would like to make. When this issue was talked about on ABC News on February 22, we had these exchanges between George Stephanopolous, Senator JOHN EDWARDS, and Senator JOHN KERRY. I don't hear this complaining that I hear from the political wing of the Democratic Party from these three Democrats. I don't hear their suggestions for solving this problem having anything to do with the amendment of the Senator from Connecticut. So I am going to quote George Stephanopolous, as he has a short interview with these two candidates:

Another big jobs issue has come up in the last couple of weeks, the issue of outsourcing.

The very issue of this amendment.

The chairman of the Council of Economic Advisers for President Bush got into a lot of trouble when he said that outsourcing is a plus for the American economy.

We have been over that 100 times.

But when you look at this issue—

He is asking Senator EDWARDS—

what can you do about it?

Senator EDWARDS:

This is a very complicated issue.

OK, can we agree that it is a very complicated issue? If it is a complicated issue, I doubt if just President Bush is responsible for it or just President Bush is going to do anything about it. Anyway, he says:

This is a very complicated issue. It has caused a whole group of things. One is—the thing that actually concerns me the most is that I worry that we are starting to lose our edge in science, math, and technology. China graduated about half a million engineers last year. We graduated 60,000 to 65,000. And since we are going to have the standard of living we have in this country, in fact we want to improve it, not make it worse. We always—it is going to be critical for the American worker to be more productive than other workers around the world.

Then he goes on, after a short comment by George Stephanopolous, to say:

We—training, education. We need better and stronger science and math curriculums, particularly in our early grades. We need to strengthen our graduate programs in this area. The other thing that we can—where we can have a real image is we ought to build broadband high-speed Internet out in every community in the next four years, because there are lots of parts of America where it is easier for these companies to do business in India and China because they have access, and they don't have that access in rural communities in a lot of America.

Every one of us ought to be able to buy into that, but it seems that Senator EDWARDS is speaking for the intellectual wing of the Democratic Party, looking to the long view, education and training, not some short solution that probably won't work and might even do more harm than good.

And then George Stephanopolous asks this question to JOHN KERRY:

Senator Edwards says the most important thing to do is to improve math and science education. Do you agree with that?

Senator KERRY:

It's one of the most important things to do. If you don't give the American worker a fair playing field to compete on, we're going to continue to be disadvantaged. I'll give you an example. China manipulates the currency. China does not enforce intellectual property laws. China and other countries have not allowed us to have fair access to the marketplace.

Skipping down:

Education, I mean that's not new. Education was the centerpiece of Bill Clinton's Presidency. It's the centerpiece of my proposals. There are a whole series of things that we can do.

Here again the person who is following the advice of Robert Reich representing the intellectual wing of the Democratic Party is looking ahead. I do not see these people offering any of the political sound-bite type solutions that have to be used if we are going to solve this problem, which I would put in the category of the political wing of the Democratic Party that we have heard from this morning.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, in Illinois, and I would say in Iowa, in North Dakota, in Connecticut, in Nevada—you pick the town, you pick the spot on Main Street, and you pick the first person walking by and ask them the following question: Is it a good thing for America that good-paying jobs are now going overseas, that businesses are outsourcing their jobs to foreign countries and taking jobs away from Americans?

You pick it, and I will stand by the results of that informal poll anywhere in America. You know the answer.

True or false: Is it good or bad for American companies to be eliminating jobs in the United States and outsourcing them overseas? That is what is before us. That is the question.

If you think the answer is obvious, it is not obvious to the President, nor to his economic advisers because the President's economic adviser, Mr. Mankiw, reported to Congress on his behalf a few weeks ago that it was, indeed, a good thing we are now outsourcing jobs to other countries.

I am sure you are saying: I expect to hear that from DURBIN because he sits on the other side of the aisle, and he is bound to misrepresent what the President's Council of Economic Advisers says to Congress, so allow me to read:

One facet of increased service trade is the increased use of offshore outsourcing in which a company relocates labor intensive service industry functions to another country.

He goes on to say:

The basic economic forces behind the transactions are the same, however, when a good or service is produced more cheaply abroad, it makes more sense to import it than to make or provide it domestically.

The commonsense answer to the question about whether American jobs outsourced overseas are good for America that you are going to get on the streets in any city of America is not the same conclusion reached by the Bush administration in their economic report.

What was the reaction on Capitol Hill to Mr. Mankiw's statement that outsourcing jobs to foreign producers would be a good thing?

The Republican leaders, including the Republican Speaker of the House, ran from this report like a scalded cat. They disavowed it and said he was wrong. He put out 2 or 3 days' worth of corrections about it.

But the bottom line is, if you look at what has happened in America, Senator DODD's amendment addresses the reality. More and more service jobs—good-paying service jobs—are going overseas.

In my apartment in Chicago Saturday afternoon at 4 o'clock, the phone rings. It happened to me twice, two different Saturdays. I do not know why 4 o'clock is the right time, but maybe as I tell the story you will understand why it is.

Mr. DURBIN?

Yes.

This is Nancy. I wanted to call and tell you that your Discover card is on the way.

Nancy, I didn't order a Discover card.

Well, we are going to send you one anyway.

Nancy, where are you calling from?

And Nancy says to me: I'm calling from Delaware.

Really, what city in Delaware, Nancy?

Pause.

I said New Delhi.

She said: No, Bangalore.

She was calling from India. She honestly acknowledged that, as did a caller a few weeks later. So major credit card companies, such as Visa and Discover, are starting to use callers in India and other countries in Asia to call into the United States. Those are jobs lost in America.

I visited India 2 weeks ago. I ran into a delightful woman in New Delhi who said she had a Ph.D. in mathematics, and she was working for an American brokerage company, Fidelity. I know Fidelity. I do business there. She handles their information technology in India. Is this good? Is it good for us to lose computer programmers, software engineers, good-paying high-tech jobs to India and China? I don't think it is such a good thing. But, frankly, the President's economic adviser says it is a healthy thing.

Senator DODD comes in and with a very modest amendment says: Perhaps when it comes to our own Government work, we should draw the line on whether or not the Federal Government will give money to an entity which turns around and outsources jobs overseas. He makes exceptions. Senator DODD, in his amendment, says if it is necessary for national security, then we will waive it, or if the service to be performed is not capable of being performed in the United States, we will waive it. I believe there is also a waiver if the country where the jobs are going to be placed allows the United States to contract for services there so there is some reciprocity.

This is an extremely reasonable and sensible amendment. But if you will listen to my colleagues on the Republican side of the aisle, they are scared to death of this amendment. They do not want to vote on it. In their heart of hearts, they obviously agree with Mr. Mankiw. They think the outsourcing of jobs overseas is a healthy thing. I do not. But I would defy any of my colleagues to go home to Main Street—you pick the town—and defend it. Say to the people that the 4,000 jobs that leave IBM and go to India is a good thing for America. I don't believe it is.

Senator DODD has made a modest proposal that says let's stop the bleeding. Let's start talking about jobs in America. Let's try to go beyond the obvious, and that is this economy is in recession and struggling to recover, and start talking about focusing on jobs in America.

I voted for free trade. I believe in trade. I believe globalization is as inevitable as gravity. It is happening. It is going to happen. But I continue to be concerned that when it comes to these trade agreements, the first thing our negotiators do, after we pass them into law, is to wave the white flag and say: We surrender; come take advantage of the United States. And people do.

It has happened to us time and again. It has happened to us in the manufacturing of durable goods. Steel is a good illustration. Japan, Brazil, and Russia dumped steel in the United States for years and ran companies out of business. It cost thousands of steelworker jobs. And the Clinton administration at that time sadly did little or nothing about it. The Bush administration imposed a tariff for a short time and recently removed it.

Frankly, our steel industry is, once again, not only weak but vulnerable because we are not taking a tough position in enforcing the trade agreements for which we voted.

I am for expanding trade but under rules that will be enforced so when people engage in unfair trade practices against the United States, we stand up immediately for the workers and businesses that are disadvantaged.

Look at the situation in China. My friend and colleague, Senator SCHUMER of New York, is coming forward with a bill, which I support, and I know the Presiding Officer is involved in it as well, which says the Chinese currency valuation gives them a 15- to 40-percent advantage over American manufacturers. What does it mean?

Companies in China are running American manufacturers out of business because they manipulate their currency. That is an unfair trade practice, and they are killing us with it.

They now enjoy a huge surplus of trade with the United States. The Senator from North Dakota said there was over $100 billion in Chinese trade surplus with the United States?

Mr. DORGAN. One hundred thirty billion dollars.

Mr. DURBIN. One hundred thirty billion dollars. Let me give a footnote to this conversation. Ten percent of all of the Chinese exports to the United States, $13 billion worth of Chinese goods, go to one company in the United States: Wal-Mart. So when a person goes into Wal-Mart and they see ''made in China,'' do not be surprised. This is no longer a U.S.-flag-waving company. This is a company which sells Chinese goods that are cheap because they manipulate currency to the disadvantage of American producers.

Senator DODD makes a proposal. He says when it comes to spending Government money, taxpayer money, we are going to ask a question: If someone is receiving this money, are they going to create jobs in the United States with it or jobs overseas? If they are going to create jobs overseas, no thanks, unless they meet one of the exceptions: National security, Presidential waiver, that sort of thing.

I say to the Senator from Connecticut, I will take this proposition to any town in Illinois, and I know what the answer is going to be. They are going to say to me: Senator, it is my taxpayer dollars, and it is not unreasonable for you to say that American workers should be employed with those dollars. That, I think, is a reasonable approach.

What did the Republican side and the administration come back with? Picture this: They have an amendment which says—and Senator DODD can correct me if I do not represent this correctly—that the Secretary of Commerce, Mr. EVANS, a member of the President's Cabinet, will have the power to certify whether such an amendment, as Senator DODD's amendment, will harm the American economy. If he so certifies that it ''will harm the American economy,'' it will not go into effect.

Frankly, the amendment does not even say when he makes the certification. So the amendment guts the Dodd proposal. The President's Cabinet will certify exactly what they told us. They believe in outsourcing. They think it is healthy to have outsourcing of jobs overseas. So do my colleagues expect the President and the Secretary of the Commerce to defy his economic advisers? No way. They are going to say that the Dodd amendment is a bad thing, that it keeps jobs in America that should be going overseas where the companies would have to pay a lot less for the same services and goods.

I want to vote on the Dodd amendment. I want to defeat this attempt to give the Secretary of Commerce the power to gut it. I want to vote on it. I want my colleagues on both sides of the aisle to stand up and be counted, and I want them to go home and explain their vote. If they think it is unreasonable, as the Senator from Connecticut suggests, that taxpayer dollars be spent to encourage American jobs in America, I think they are going to find that the reception at home is not very positive. We have lost too many jobs in America, more jobs under this administration than any President since Herbert Hoover. I do not think that is a positive thing. I think it is a negative thing.

Senator DODD makes a small but valiant and important effort to make certain that our jobs in America and our workers have a fighting chance, and I stand in support of his amendment.

Mr. DODD. If my colleague will yield, I want to thank my colleague from Illinois for his eloquent comments. He made an opening comment and proposed that we go to any Main Street anywhere in the country and ask the simple question: Should your tax dollars be used to subsidize the exportation of an American job? To equate the outsourcing of a person's job with that of a service or a product—as if somehow someone losing a job and knowing what that means, that that individual and their family will have an inability to have the kind of health care coverage, if they had it, that they need, and it is going to be difficult to find another job, we now know—and I am sure my colleague can comment on this—that that person who loses their job as a result of outsourcing and then seeks another job, except for two States, in Nebraska and Nevada, the salaries or wages they are getting are on average some 25-percent less than the job they lost.

What we are asking to do is what any self-respecting government would do, and that is to stand up and defend people's jobs in this country. I think the question the Senator posed is an excellent one. I would point out, the Senator has the amendment correct.

I find the second-degree amendment rather amusing. It says the administration—none of this language will go into effect unless the Secretary of Commerce certifies that there is some harm occurring to the economy. So if he never certifies anything, this entire amendment falls. It is kind of a phony amendment when talking about what to do.

I appreciate immensely the Senator's comments. I wonder if he might share some additional thoughts on just what happens when people look for second jobs and how difficult that is.

Mr. DURBIN. I say to the Senator from Connecticut, we have trade adjustment assistance, which was enacted years ago, which says if a person loses their manufacturing job, a job that produces goods, to trade overseas, they will have an extra advantage in that we provide unemployment benefits and give an opportunity for retraining.

We are in a new world now, and the new world includes not just losing jobs producing goods but jobs involving services, and trade adjustment assistance does not apply. So the 4,000 computer programmers at IBM who gave their jobs to India and China cannot qualify for trade adjustment assistance. The Senator from Connecticut is right; they then get into fierce competition for the limited jobs available in America.

I have met with the men and women who are in the ranks of the unemployed, and they are finding it extremely difficult to find any job that pays nearly what they made before. The first casualty of unemployment is their health insurance, and then, of course, their home and their savings. All of these things are casualties as Congress not only is insensitive to this loss of jobs overseas, this outsourcing of jobs, but even fails to include unemployment insurance for these workers.

I say to the Senator from Connecticut—I will yield the floor because I see another colleague—if the election in November is a referendum on this report as to whether or not it is healthy for America to see jobs outsourced and sent overseas, bring it on.

If my colleagues think they can rationalize the sending of these jobs overseas because Mr. Mankiw and President Bush's Council of Economic Advisers happen to have some theoretical model behind them, they ought to take these wonderful Wall Street models to Main Street in America.

I hope before the end of the day we will count noses in the Senate on the Dodd amendment. Let us find out how many people buy the Mankiw vision of the world and how many people buy the reality of this world.

Mr. DODD. I thank my colleague from Illinois very much.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have listened to my colleagues from Illinois and Connecticut discuss this issue. It is interesting to me that the amendment that is offered by the Senator from Connecticut is portrayed by some as some very substantial, potentially devastating piece of public policy that could bring down the roof and undermine this economy. It is, of course, nothing of the sort. It is a relatively modest amendment, as a matter of fact.

My colleague from Illinois, Senator DURBIN, said he wants a vote on it. I want a vote on this amendment. They can second-degree it until the cows come home, but in the end we will get a vote on this amendment. If we have this kind of bill on the Senate floor, we have a right to vote on this amendment.

The central question that is asked by my colleague from Connecticut is this: Should tax dollars be used to send jobs overseas? I am going to have this followed up with another amendment asking, should we provide tax breaks to send jobs overseas?

My colleague, Senator DODD, says—and I agree with him wholeheartedly—we ought not to have the American people pay tax dollars into our Government and then have various functions of Government decide where we are going to do the essential functions that we have to perform and then make a decision: let's do them in Bangladesh; let's do them in Indonesia; let's do them in India. That is not something we want to have happen with the dollars the American taxpayers pay into their Government. Senator DODD says let's stop that, with some exemptions and some exceptions.

It makes good sense to me. It is absolutely the right thing to do.

I am going to offer an amendment which I will describe briefly. Senator DODD talks about the use of tax dollars. Let me describe my amendment, which is the use of tax breaks. If one is an American company doing business in this country and they decide they want to set up a wholly owned foreign subsidiary and they move their American jobs to this foreign subsidiary, make the same product and then ship the product back into this marketplace, they lose what is called tax deferral.

We actually now provide a tax benefit if you do that. We say if you do—shut down your American plant, produce the same product overseas and ship it back into this country—we will give you a tax break. You don't have to repatriate your income. You don't have to pay taxes on that income.

So here are two companies. Both produce garage door openers, both are located in the same American city. One moves to Asia. Guess what. The one that moves has a tax advantage over the one that stayed. I am going to offer an amendment that shuts that down for products that are shipped back into this marketplace by companies that move their American jobs overseas. We ought not provide a tax break for that. That is another amendment we will vote on.

Again, when we bring this bill to the floor, which is a tax bill, we have every right to offer these amendments and expect we will vote on them.

The second degree that has been offered just moments ago represents a desire to prevent a vote on the amendment. Certification—this is an opportunity for an escape hatch, to allow governments, in this case in the Dodd amendment, to keep doing what they have done in some cases, and that is to outsource jobs overseas.

This obviously plays right to the question of the larger issue. Senator DURBIN said we have globalized. Indeed we have. Globalization has moved very quickly, very rapidly. I don't suggest we can in some way bring it back. This economy is now a global economy.

What I do suggest is this: The rules for this global economy have not kept pace with the pace of globalization. We fought for 100 years over some very important issues. Should workers have a right to organize? Should they have the right to expect they are working in a safe workplace? Should they have a right to expect someone is not going to hire 12-year-olds to engage in labor that will be undercutting workers in this country? Do they have a right to expect they are not working in a plant that is dumping chemicals into the air and the water?

We fought for 100 years over these issues and resolved them. Now, if a company, or a government can pole-vault over all of those issues and say: You know something, let's just do our business in Bangladesh or Indonesia or India; we don't have to worry about all that; we can hire 12-year-olds and work them 12 hours a day 7 days a week and pay them 12 cents an hour and ship the product to Fargo or Los Angeles or Chicago, in my judgment there has to be some basic admission price to the American economy, to the marketplace in this country. The rules of trade have not kept pace with globalization, and that is what is at the foundation of this great debate of ours about moving jobs overseas.

I understand why people move jobs overseas, why corporations move jobs overseas, why some governments do. I don't like it. I want to stop it. But I understand why they do it.

It is about money. Huffy bicycles is the best example I know. They were 20 percent of the American marketplace. You could buy them at Sears, K-Mart, Wal-Mart. Huffy bicycles were made by proud people in this country making $11 an hour in plants in Ohio. They used to have between the handlebars and the fender a little decal that was the American flag.

Now that is gone. The last job performed in Ohio by the workers at the Huffy bicycle plant was to take that decal off and replace it with a decal of the globe. The American flag is gone, the globe is there. Why? Because Huffy bicycle is now made in China. Not for $11 an hour. Those folks lost their jobs in Ohio because they were too expensive. Those jobs don't exist here anymore. Those workers were fired. Now Huffy bicycles are made in China by people working 12 to 14 hours a day, 7 days a week for 33 cents an hour. They come to this country, not with an American flag on the front but with a picture of the globe. In my judgment, this is an appropriate way to describe what has happened here.

Huffy bicycles, if they had human qualities, would have to have citizenship, and they would be American. But

somehow they decided they didn't want to be American anymore; they wanted to be Chinese. But they want to be sold in America because there is no marketplace quite like this on the face of the Earth.

This is a big issue. This is a really big issue and a set of big questions with which this Congress needs to grapple. We grapple with part of it in the context of international trade agreements. We have a mess. We have the biggest trade deficit in the history of humankind. This is not about Republicans or Democrats; it is about bad trade agreements for long periods of time that undercut the productive capability of this country to decimate our manufacturing base. The reason I care about that is no country will long remain a world economic power without a good manufacturing base.

Just one piece of this the Senator from Connecticut attempts to deal with is the increasing likelihood, these days, of companies such as EarthLink—they announced: We are moving our outsourcing overseas. Our servicing is gone. We are going overseas. Companies such as IBM: We are going to outsource and do our servicing overseas. And we also know that governments in some cases have done the same thing.

The Senator from Connecticut takes that small piece and says let's stop that. Let's at least stop that as we work on the rest of it. If we can't do this, we are not serious about any of this. Don't come ever to the floor of the Senate and talk about jobs if you are not willing to do this.

I don't know of one politician who has ever lost his or her job because they were outsourced—not one. For that matter, no economists have ever lost their job because they were outsourced. It is not necessarily the case they would recognize it if it happened, but no politicians or economists have lost their jobs because they were outsourced. If that were to happen, you would hear a different mantra coming out of economists. If that were happening, what you would have is this Chamber full of people wanting to speak in support not just of this amendment but of the bigger bites that are necessary to fix what is wrong with our strategy with respect to trade and the outsourcing of American jobs.

Senator DURBIN indicated that the President's chief economic adviser said to us: This is good. Outsourcing is good. I am assuming this comes from the doctrine of comparative advantage, the old Ricardo strategy of saying you do what you do best, then trade with someone who does what they do best, and that is the way the world works best.

Of course, Ricardo has been long dead and he described a world that doesn't exist. He described trade between countries, not corporations. What is happening is the comparative advantage, as a doctrine, is not any longer comparative advantage with respect to natural resources. It is a comparative advantage with respect to politics, and the politics is this: If you happen to be in a country in which your government says, ''Oh, by the way, if you try to organize as a worker you are fired or you are put in prison,'' that is a political decision by a country that says we won't allow people to organize.

It is a political decision for a country to say we don't care about pollution; we are going to pollute the air and the water. It is a political decision for a government to decide we are going to hire 12-year-old kids in our plants, and we are going to let them work 12 hours a day and pay them 12 cents an hour. That is not the doctrine of comparative advantage Ricardo described. These are political issues and governments decide the conditions of production in their country.

Then we have economists who somehow say: Gosh, Ricardo described this comparative advantage, so why shouldn't we access lower cost labor? A country that pollutes the air and hires kids and puts them in unsafe plants and pays them pennies an hour? That doesn't need an answer. We all understand the answer to that question. That should not continue.

I am going to conclude because I am going in a broader discussion than Senator DODD's amendment. But my point is this: If we can't even do this small piece, how on Earth can we deal with the broader issues? I held a hearing recently about some young women who were working in manufacturing plants in Honduras.

They were actually making clothing for Puff Daddy, whose name, I believe, now is P. Diddy. I get confused now sometimes when people change their names, but Puff Daddy changed to P. Diddy. Apparently, he has a clothing line and that clothing is made in some plant in Honduras.

A couple of young women in that plant came to talk to us about the conditions in that plant. It was exactly as you would expect. There were circumstances where they had no capability to affect their destiny. You are put in that plant; you work in that plant; and if you try to organize, you are fired; you are out. The conditions were terribly unsatisfactory. Since that hearing, I understand that there have been improvements in the Honduras factory I described. But that is just one factory out of many. Conditions there are bleak.

Is that what we want? Is that really the global economy that advantages the American people? Or jobs that move from here to there and then we say but that is all right because, if you have young kids producing this product being paid 20 cents an hour, think of how cheap it is going to be for us on the shelf.

I am sorry, with what income will the Americans who lost their jobs purchase those products? With what income will they purchase those products when their jobs are gone?

One of the interesting things about this U.S. economic engine is that it is the only economic engine on Earth that is as strong. But like every engine, it requires some maintenance. What we have is people hanging around who don't want to maintain this engine.

Jobs are at the root of success in this country. There is no social program that is as important as a good job that pays well—none. Jobs are important.

When we have the Chairman of the Council of Economic Advisers—the President's chief economist—saying it is just fine that jobs go overseas, it is fine and you don't understand, that it will all work out—John Manard Keynes said: In the long run we are all dead. If it all works out, 100 years from now—as we struggle through and this all works out—I guess none of us will experience that.

I am right now very interested in making sure that the rules of trade keep pace with the pace of globalization. They have not. It is our job to bring them to present day policies and to debate them and discuss them. That is what Senator DODD is doing with one small piece.

Should your tax dollar pay for sending jobs overseas through government contracts? The answer is, of course, not. Are you kidding. This isn't rocket science. I suggest that my colleagues go to Main Street someplace and ask the question, Is it good that your manufacturing plants in your town should be required to compete and your workers should be required to compete with someone in Shrilanka where they are going to be paid pennies and they do not conform to environmental laws and fire people if they try to organize workers? We know the answer to that. This doesn't take a lot of depth in thought.

This amendment is a first. Senator MIKULSKI and I have one that deals directly on taxation. We are anxious to offer it. I suspect we will not be able to do that until after the budget debate on the floor. This is the first step of addressing the question about jobs. Anybody who dismisses this question of jobs fundamentally misunderstands the role of jobs in this economy. It is the enabler that enables everything else to happen. It enables people to provide for their families and to do the other things.

One final point, if I might: I have mentioned this before, but I think it bears repeating. It is just one example of so many towns, so many workers, and so many manufacturing plants. When those folks came home from their plant one night and said to their spouse and to their children, ''I lost my job today,'' that is a hard thing to do. The family wonders if they weren't good workers. Was there something wrong with what dad or mom did while they worked during the day? Couldn't they keep up?

It wasn't that at all. They have to come home and say, ''I lost my job

today,'' not because I was making $11 an hour trying to provide for my family but that someone else was willing to work for 33 cents an hour, and that job has now gone 10,000 miles from here. The rules don't exist by which we describe whether there is fair trade, whether that is fair for this country and why that is in this country's interest.

When the chief economic adviser to the President says this movement of jobs overseas is really a good thing because in the long run it all works out, I say no, it is not a good thing if you lost your job. I think if economists and politicians lost a few jobs from outsourcing they might understand that a bit.

I will vote for the Dodd amendment. I want to cosponsor the amendment. I am just one voice, but I hope Senator DODD will say it as well. If they try to second-degree this to death thinking that somehow they will avoid a vote on the underlying amendment, as long as this bill is on the Senate floor, this is coming back and back and back. We deserve a vote on the underlying amendment. Let us find out where people stand. Stand up and vote on this rather than try to vote on some diversionary second-degree amendment.

I know my colleague is waiting for the floor. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I simply, first, wanted to thank my colleague from North Dakota, and to stand in support of everything he has said. Tomorrow, our friend from North Dakota will be chairing an important hearing. I will have two individuals from Michigan from a small town called Greenville. I appreciate the fact that we have someone who will be sharing their story tomorrow.

But just to reinforce what they said, this is a town of 9,000 people in rural west Michigan. They make refrigerators. They make Frigidaire refrigerators, and they work for Electrolux. Of the 9,000 people in town, 2,700 people work making refrigerators. They have added a third shift. They make a profit. Electrolux indicated that they make a profit in the United States. But they decided they could make a bigger profit if they moved to Mexico and paid $2.50 an hour with no health benefits. So that is what they have decided to do.

We see a community now that is losing 2,700 jobs. When you count the businesses in the surrounding area that are affected, it is 8,000 jobs.

I agree with the Senator's conclusion. I said to the folks at Electrolux: At $2.50 an hour with no health benefits, who is going to afford to buy your refrigerators making $2.50 an hour?

Mr. DORGAN. As the Senator from Michigan indicated, at 10 o'clock tomorrow morning the Democratic Policy Committee is going to hold a hearing on the outsourcing of jobs to other countries. I appreciate that the Senator from Michigan will be there and will be a significant part of that with constituents from Michigan.

It occurred to me as the Senator talked about refrigerators, the next time you go to eat at a Mexican restaurant, remember that Fig Newtons are now made in Mexico. Why? They used to be made in the United States. But Fig Newtons jobs have left and gone to Mexico. Why? Lower wages, I am guessing. Levis, Fruit of the Loom underwear, you name it. We could have a hearing that would last for years if we wanted to talk to the people who had good jobs in this country but whose jobs are now gone because even Fig Newtons went to Mexico.

I am anxious for the hearing tomorrow, and I appreciate the Senator from Michigan mentioning it.

Ms. STABENOW. Mr. President, I support the amendment of the Senator from Connecticut. I think it is the least we can do on this issue. We need to set an example. If we can't as a Federal Government set an example for our own country through our own contracts and our own outsourcing policies, then how can we ask others to do the same thing?

As I indicated, we have one community losing 2,700 jobs to Mexico. We lost more jobs last year than any other State. We have lost over 167,000 jobs in Michigan in the last 3 years. As I look at the paper every day—literally I can go to papers throughout Michigan, from the Upper Peninsula to Detroit to west Michigan to southern Michigan—there will be stories of plant closings, of job outsourcing or exporting of jobs, and layoffs.

This is the most critical issue facing the people of our country. Therefore, it needs to be the most serious issue facing us in the Senate. We need to spend whatever time is necessary, take whatever actions are necessary and put in place a set of policies that stops the exporting of jobs, that creates a level playing field for our businesses and our workers. If we give them a level playing field, they will compete and they will win. But we don't have that now.

We don't have that when it comes to the issue of manipulating currency, which China and Japan are doing. When it costs a Michigan business up to a 40-percent tax to sell into China, and when Chinese products come back and are sold at artificially lower prices, and our government doesn't do anything about it when we could, there is something wrong.

Why does China do that? They want us to move the plants to China. They want to make it as difficult as possible to sell goods in China because they want the plants there. We don't want the plants there. We want to be able to take advantage of smart trade policies and sell goods and services to China, Mexico, Japan, and all around the world. That is what trade is all about, and that is how we make it positive for us. But right now we have a situation where instead of having smart trade policies, instead of addressing those issues to create a level playing field, we are seeing a set of policies that actually encourages a race to the bottom by saying to folks in Greenville, MI: The only way we are going to stay here is if you make $2.50 an hour with no health benefits.

What does that say for the future of our country? What does that say, if any business could say that? The Federal Government could say that. We will not have a middle class and we will not have middle-income families. We will not have what has made us great as a country in terms of opportunity and small business growth, if we don't stop this.

That is why I am very pleased to be supporting the amendment of the Senator from Connecticut. We need to lead by example, and that is what this amendment does. It says while we are asking that businesses in the private sector change policies, and we are asking others not to export, we ought not to be exporting jobs either. We need policies that will stop that and invest in our own workers and in our own people.

I hope that rather than secondary amendments and other possibilities of slowing this amendment down or killing this amendment, we would be joining together—all 100 Members—in saying we do not support the report of the President's Council of Economic Advisers. We do not support Mr. Mankiw's comments that exporting jobs is good for our families, for our businesses. We reject that.

We come together saying the Federal Government needs to lead by example. If we do the right thing and put the right incentives in place, we can then turn to others and ask them to do the same thing. This is about jobs. It is about the future of our country and our quality of life. I hope we will join in supporting the Dodd amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DODD. Mr. President, I thank my colleague from Michigan for her support of this amendment and also commend her for her comments and her eloquent testimony about the 2,700 people in the small town of western Michigan of 9,000 people who are about to watch the economic vitality and livelihood of their community move on.

This has gone on, of course, across the country and is one of the problems we face every single day, too often in too many communities across our Nation. One of the aspects is the outsourcing that is going on.

Again, we can offer tax incentives to try to discourage people from making those decisions, but in the final analysis they can reject the tax incentive and decide they will outsource jobs.

We are saying with this amendment—and I appreciate the Senator's strong endorsement—you may be able to do that with your own money, but the question is, Should you be able to do it with taxpayers' money? We don't think so.

We have created all sorts of waivers and exceptions for national security. If there is no other source that would allow this work to be done except by outsourcing, I have made provisions throughout the amendment where the head of an agency—it does not require the President of the United States—can check the box. I assume someone will say this will undercut our national security because we outsource a lot of jobs in the defense contract area. Just check the box. If the Joint Strike Fighter is in trouble, check the box.

I don't want you to begin the day by saying it does not make any difference if I outsource. It does make a difference. That is what my colleague from Michigan is saying. It makes a difference. If there is a reason and rationale for purposes of national security, or because you cannot get the product anyplace else other than through outsourcing, we accept that.

We are not being difficult about this but at least draw that conclusion, not just the bottom line conclusion, that I can make a bigger profit off it because I outsource the job.

I am deeply grateful to the Senator for her comments about the underlying motivations.

I can offer incentives and disincentives which someone can take or not take, but when it comes to the taxpayers' dime, the money the taxpayers, out of their hard-earned dollars, send to this city to support various activities, the fact we are using taxpayer money to ship someone's job overseas, that I object to. I don't think that is an outrageous request at a time when we are watching the acceleration of outsourcing going on day after day after day. That is what my colleague and I object to.

I have been on the floor with my amendment for 24 hours and all I want is a vote. If you think outsourcing is a good thing, and many people do; the administration clearly does—their month-old economic report, which the Senator from Illinois again referenced a few minutes ago; I talked about it yesterday; here it is; it is not my comments, not the comments of the Senator from Michigan; this is their authority in which they conclude that outsourcing of jobs is good for the economy—then vote against my amendment.

I am not trying to be difficult. If I am defeated, I am defeated. I have offered amendments and lost before. I am not shocked when I bring up an amendment and lose, but if you think I am on the right track, vote for it. But vote.

Ms. STABENOW. Will the Senator yield?

Mr. DODD. I am happy to yield.

Ms. STABENOW. Would the Senator agree on its face that it would appear his amendment is about whether folks support that report and if, in fact, they believe, as the Senator said, that exporting jobs is a good idea, folks can vote against your amendment. This is really a time to stand up and say yes or no.

Mr. DODD. That is exactly the case.

Let me address the amendment offered by the Senator from Kentucky, Mr. MCCONNELL, and some comments made at the time of the introduction of that amendment which are worthy of note.

First, my friend from Kentucky went on and recited the 6 million jobs that exist in this country where people work for foreign corporations that are located in the United States and he went down each State and identified the jobs. About 90 or 95 percent of those corporations come from the 27 or 28 nations that are exempted under this amendment.

My friend from New Hampshire talked about a large employer in New Hampshire from the United Kingdom. The United Kingdom is not covered by this amendment. Someone else talked about Japan. Japan is not covered by this amendment. As a result of an inquiry made by my friend from Montana to make sure we exempted those countries with which we have joint procurement policies under the World Trade Organization, the language of this amendment excludes those nations.

The idea somehow that these jobs in America will be in jeopardy is not based on any fact whatever. I will be happy to list them for my colleagues: Austria, Belgium, Canada, Denmark, European Community, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Korea, Liechtenstein, the Netherlands, Aruba, Norway, Portugal, Singapore, Spain, Sweden, Spain, Switzerland, and the United Kingdom. There may be others. That is about 90 to 95 percent, as best we can tell, of the so-called jobs that might be in jeopardy.

I suggest if we cannot have equal access to government procurement in various other countries, then we do have a problem. Of those countries where there is not a level playing field, for those that are for fair and free trade, as I listened to my colleague from Iowa talk about it earlier, the United States cannot compete for government procurement contracts in India. We cannot compete in China. We cannot compete in those other countries. If they are willing to say we can compete for their government procurement contracts, this Senator has a different point of view. But we are being told we cannot do it. Do not tell me that is fair or free trade. It is not—by any estimation.

I will not take a backseat to anyone when it comes to trading policies. I supported many. I believe that is where we must be if we will succeed in the 21st century.

I have waivers in here on national security. I understand there is outsourcing that goes on when national security issues are involved.

I have written a specific provision, just check the box. You tell me this will jeopardize national security, the Secretary of Defense checks the box. That is it. You can go ahead and outsource.

I am not trying to make it difficult for anyone. I don't want to make it more bureaucratic. But when I hear the Pentagon talk about bureaucracy and I look at some of the requirements for even purchasing a personal computer, 38 pages, the idea is there of making a determination that something is in the national security interests and therefore you do not have to do it.

Let me offer to my colleague from Kentucky an alternative to his amendment which, if he is willing to accept, I am willing to take. I want to get answers out of these issues.

Instead of his amendment as it reads, virtually nothing has to happen, and nothing happens with this bill because he says the title of this amendment shall take effect 30 days after the Secretary of Commerce certifies that the provisions of this title will not result in the loss of more jobs or be harmful to the U.S. economy. If the Secretary never certifies then, of course, none of the provisions go into law. This amendment, if adopted, would virtually gut everything we have tried to talk about over these last 24 hours. That amendment is unacceptable.

If you are willing to say the initial certification shall be made by the Secretary of Commerce no later than 30 days after the enactment of this act, then I am willing to consider that because that requires an affirmative action for saying that outsourcing is what we want to continue doing.

I do not like amending my amendment with this kind of a provision. But if you want to go that route, I am willing to listen, even though the Secretary of Commerce is the President's campaign manager and so forth, and the administration is already on record saying they think it is a good thing.

I am willing to admit there are many good people who think outsourcing is a good thing. I am not disparaging people who believe that. All I am saying is, there are a lot of us who do not think we ought to be promoting it with U.S. taxpayer money. For those of us who do not think it is a great idea—I suspect a lot of our fellow Americans agree with that conclusion—we would like to vote up or down. If you think it is a bad idea, as apparently the Senator from Kentucky does and the Senator from New Hampshire—and I respect them immensely—then, very simply, vote against the amendment and shoot it down. Then we will move on to the next subject matter.

But to clutter it up with amendments, suggesting somehow that you agree with what I am suggesting, or at least implicitly do, because you are not challenging the underlying amendment but, rather, offering something that, if

adopted, would make it impossible—unless the Secretary of Commerce decided to change political parties and contradict his President and decided he was going to certify something—this amendment requires nothing, no action on his part at all and, thus, obviously the entire provision dealing with outsourcing would fall.

It is kind of a cute way of not having to vote on my amendment but, in effect, killing it with the adoption of the second-degree amendment.

So I have sent over, through staff, some alternative language which I am asking them to consider as a way, instead, of wrapping this up. As I say, I was prepared to vote on this at 4:30 yesterday afternoon, or at 5:30, whenever people wanted to, but there is obviously another game going on. There is the old New England expression: I was born at night but not last night.

I think I understand the game. We are not going to deal with this issue. We are not going to vote on this, or at least we are going to try to avoid voting on it through every possible maneuver. I regret that, but I guess that is the way things are. I think it is unfortunate. I think we should be speaking. The American people care about this issue. They care about trade. I think most people believe trade is in the best interest of the United States. I agree with them on that.

I also think it is in our interest not to squander our human capital. I think we need to do everything possible to see to it that we are in a position to continue to defend ourselves by trying to do what we can to preserve the jobs that are necessary and the underlying industries for which they work so we will have the capacity to be able to build the infrastructures that we need both for our domestic products as well as our national security structure.

I have 5,400 small manufacturers in my State. They are worried they are going to be cut out because there is always a better deal someplace else. I think the short-term quarterly analysis that fails to take into consideration the long-term implications for our country are dangerous. That is one Senator's point of view. That is one of the reasons I offered this amendment, again, not because I am a protectionist, an isolationist—my 24 years here deny that kind of a label categorically—but because I honestly believe this is something we better address now. If we do not, I think we will look back and deeply regret that we did not.

Let me stop. I know the Senator from Arizona has some thoughts he would like to share. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, first, I would like to begin my remarks with my respect and appreciation for the knowledge and expertise that the Senator from Connecticut has on foreign policy and national security issues. I believe he is unequaled or he has few peers in this body as to his knowledge and experience on foreign policy issues. For many years, the Senator and I have worked together on issues that are of importance to our Nation as far as the conduct of policy and national security is concerned. I have the highest regard and respect for him.

I hope I can work with the Senator from Connecticut to remove some unintended consequences of the Dodd amendment; that is, the Dodd amendment as it relates to defense/national security.

The Senator from Connecticut knows, as well or better than I do, the interrelationships of the North Atlantic Treaty Organization, the commonality of equipment, the fact that many times we build an aircraft, the F–16, a country buys it, and a lot of that aircraft is built in the country that purchases it. That is part of the deal that goes on. For example, significant parts of the F–16 aircraft that are bought by European countries are constructed there. That is also true with a broad array of defense equipment.

The Senator from Connecticut is also aware there is a huge imbalance as far as the purchasing of military equipment. In other words, our European friends—and I will freely admit, because they do not spend the money on research and development that the United States does, the United States builds superior equipment—buy a tremendous amount—by a factor of 15 or 20 in dollars—of U.S. equipment versus equipment that the United States buys from our European allies. We build the best defense equipment there is. We continue to maintain that lead, and we are all proud of it.

What I worry about, in the Dodd amendment, is that this would upset the relationship I just described.

Second, there are many times, many occasions when our troops overseas, our ships overseas, our deployments have to purchase from the local economy equipment, food, supplies, whatever it is.

So I could not certify that it is a national security requirement when the USS *Enterprise* pulls into a port and has to buy some equipment or machinery from the local economy which is manufactured there but fits their needs because there is a tremendous amount of interoperability amongst ourselves and our European allies.

I am sure the Senator from Connecticut is well aware of everything I am saying, and I do not mean to insult his intelligence by saying so.

What I am trying to do—look, straight talk. I do not support the amendment offered by the Senator from Connecticut. But what I would hope we could do is work out some language which would ensure, one, that at no time would our military be prevented from purchasing goods, services, or equipment on a needed basis, and, second, to preserve the relationship we have amongst our allies as far as the purchase of defense equipment is concerned, maintaining interoperability, and, very frankly, the jobs which are the object of his amendment, the jobs which are maintained in the United States of America because of the production of a great deal of defense equipment which is bought by other nations.

Now, the reason why I say that is important is because, if we do not allow the purchase of foreign-manufactured defense equipment, then sooner or later they will retaliate by not purchasing ours. That could have significant effect.

I have a rather interesting letter from Mr. Wynne, who is the Acting Under Secretary of Defense, saying ''this provision''—talking about the Dodd amendment—''would impact our ability to sustain our troops stationed overseas and the refueling and restocking of our naval vessels as they carry out their missions. Often times, the support of these activities comes from foreign sources. . . .'' It goes on.

I know my friend from Connecticut does not want to impair this. It is clearly not the object of his amendment. So I have an amendment which would make clear that there are exemptions for national security.

Perhaps better than forcing a vote on it, perhaps the Senator from Connecticut and I can work out an agreement to amend his amendment or change the language of his amendment so it does meet these concerns, which I know he shares. If not, then I would be proposing an amendment, after the McConnell amendment is disposed of, to try to ensure that.

I am talking now about national defense and national security. I have concerns about the impact of the Dodd amendment which has been debated ad nauseam. But I hope we can work out an agreement at least on the national security/national defense side of this issue.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. 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. WARNER. Mr. President, I commend my distinguished colleague from Arizona, Senator MCCAIN, who has been working on an amendment with me, and I will be his principal cosponsor on the amendment.

Senator MCCAIN and I and other members of the Armed Services Committee, in the course of last year's authorization bill, had extensive deliberations on the core issue with regard to how such legislation, as proposed by the distinguished Senator from Connecticut, would impair our ability to work with so many of our allies on defense contracts, and the high dependence today that we have on that working relationship between a number of individual allies.

For example, the Joint Strike Fighter, which is to hopefully be the plane that will be utilized in the cause of fighting freedom by so many nations that are working on it, nine different nations are on that particular contract. Great Britain has already put down $2 billion toward that contract. At some point, I will put in the RECORD a printed letter written by the Ambassador of Great Britain in the context of the debate we had on last year's authorization bill, which is directly apropos of the matter before us.

Furthermore, I am going to hand to the Senator from Arizona a letter that arrived from the Under Secretary of Defense.

Mr. MCCAIN. Will the Senator yield for a question?

Mr. WARNER. Yes.

Mr. MCCAIN. The distinguished chairman of the Armed Services Committee, as he mentioned, and I worked hard last year, with the President and Secretary of Defense, to exclude some very onerous ''buy American'' measures. It took an entire year before the authorizing bill was passed, which is always very unfortunate. I want to ask the distinguished chairman about another aspect of this.

Last time I checked, we have allied forces in Bosnia, Kosovo, Afghanistan, and Iraq from as many as 30 countries who have contributed troops to our efforts in all of those countries, including the fact that a number of those allied countries have sacrificed the lives of their young soldiers in the cause of freedom, particularly in Afghanistan and Iraq.

Mr. WARNER. The Senator is correct, Mr. President.

Mr. MCCAIN. In fact, in Afghanistan we have a significantly expanded NATO operation. I say this with the greatest respect to our friend from Connecticut, Senator DODD. My question is—suppose we tell the government of a tiny country that lost soldiers in Iraq that we want your young men and women there, and we want them to be ready to sacrifice and die but, by the way, we are not going to buy anything from you. If you produce something that is a quality product, we are not going to buy it from you because we are going to protect American jobs in the United States of America.

My question to the distinguished chairman is, What effect does that have on their willingness and desire to help us bring peace and freedom to the people of Bosnia, Kosovo, Afghanistan, and Iraq?

Mr. WARNER. Mr. President, my distinguished colleague, a distinguished military professional in his own right, knows the answer full well. It was given to us this morning by General Jones, the NATO commander. The Senator was sitting next to me. It was given to us by General Abizaid, Director of Central Command, which has jurisdiction over Afghanistan and Iraq. They are fighting in both of those areas with coalition forces—again, troops being lost, life and limb—of nations that would be affected by this amendment as presently drawn.

I just observed where the distinguished Senator from Connecticut and yourself had a colloquy, which I followed off the floor. I think you are making progress toward the amendment that the Senator has, to which I have affixed my cosponsorship, which will resolve this problem. But it is important that we come to the floor—the Senator from Arizona and myself, and perhaps others—to alert colleagues. You have men and women in the Armed Forces from each of your States engaged in the very conflicts that the Senator from Arizona has recounted.

Mr. MCCAIN. I have one more question. The Senator and I, both in our declining years, have spent a lot of time traveling around the world. One of the things that took me a long time to appreciate is the effect of what we do in the world. It is astonishing——

Mr. WARNER. Right here in the Senate on this floor, Mr. President.

Mr. MCCAIN. Yes. We have passed sense-of-the-Senate resolutions that neither you nor I have paid any attention to, and all of a sudden it is headlines in the country it has affected.

My question to the Senator from Virginia is this: All of those countries that have contributed troops—Bosnia, Kosovo, Afghanistan, and Iraq—they see a headline tomorrow that says the Congress of the United States bars purchase of any military equipment from the manufacturers in these countries. How do you think that affects an already fragile public opinion in these countries?

Mr. WARNER. Mr. President, the Senator is quite observant in his long experience. It is a very negative effect. I also bring to the Senator's attention that we heard this morning that we are thinking of reducing some of our very large bases in Europe and putting a smaller U.S. presence in a number of countries—I mean, actually going in, spending MILCON, and putting our troops in more forward positions in this most uncertain war on terrorism. So it affects that, as well as the ability of that country to engage with us in military alliances.

Mr. MCCAIN. I thank the Senator.

Mr. WARNER. Mr. President, I rise in opposition to the Dodd amendment and support of the McCain second degree amendment. The Dodd amendment would prohibit any portion of work covered under a Federal contract for goods or services from being performed at locations outside the United States. This will do incalculable damage to our national security, undermine our relationship with our allies, and violate many of our trade agreements with respect to defense procurement. The Dodd amendment will spark a trade war in aerospace and defense trade—one of the few remaining areas that the United States has a manufacturing trade surplus. It will lead to the destruction of the U.S. aerospace industry and the loss of thousands of jobs that will migrate overseas.

How can I be so sure of the impact of this legislation? It is because, last year, the Senate Armed Services Committee fought off on a bipartisan basis similar legislation from the House of Representatives. For 6 months, this issue was debated in the National Defense Authorization Conference. In the end, we narrowly averted a national catastrophe that would have put every soldier, sailor, airman and Marine in harms way. This legislation, like the legislation from the House on last year's defense bill, marks a return to the days of Smoot-Hawley and the Buy American Act of 1933, which were passed at the height of the depression and extended the misery for so many Americans during that decade.

The Dodd legislation would significantly change the Defense Department's industrial base policy and have a devastating effect on the health of the U.S. aerospace industry. The Dodd amendment, if passed, would erase decades of procurement reforms designed to integrate the civilian and military industrial bases that support DOD, destroy our global aviation trade surplus, increase program costs, and substantially delay the transformation our forces.

One might ask how would such a well meaning amendment do such harm? First, one has to understand what has happened in the defense market in the last 15 years. After the first Gulf War, it was realized that DOD no longer dominated many of the most dynamic industries such as the computer and telecommunications industries. To maintain and transform the force, DOD needed to tap into this commercial market, but none of these industries wanted to sell to DOD because of the extraordinary red tape involved with Government contracting. The Clinton administration and the Congress passed far-reaching acquisition reform measures to allow DOD to tap into the commercial marketplace. The Dodd amendment places this progress in jeopardy.

Under the Dodd amendment, the Defense Department would no longer realize the efficiencies of using commercial buying practices, as many commercial companies with a relatively small portion of their business base devoted to defense would stop selling to the Defense Department. Why? Because commercial companies will be required to identify every microchip, every part, all of its raw materials to ensure that they were produced in the United States. As was the case before the 1994 and 1996 acquisition reforms very few commercial companies will want to do this.

As a result, the Defense Department will have to pay more for its products and will not have access to the most advanced electronics and information technologies from the commercial marketplace. Every weapon system in the U.S. inventory uses information technologies and electronics systems no

longer being made in the United States. DOD will have to recreate a DOD specific supply chain with contractors that only support the Defense Department at a cost of hundreds of billions of dollars.

To conform with the Dodd amendment, the Defense Department would need to require companies to comply with a substantial data gathering exercise, merely for the right to bid on a program. It is likely that DOD would have to impose burdensome compliance and certification requirements which would expose bidders to significant liabilities, even in cases where a contract is awarded to another bidder. A commercial contractor who may do less than 1 percent of its business with the DOD is not going to expend this kind of effort for so little return.

To comply with the Dodd amendment, defense and nondefense business segments would have to be separated, slowing the development of next-generation war fighting systems and increasing program costs. For example, the aircraft engine business supports both civilian and military requirements and is only competitive because of the economies of scale inherent in producing for both markets. To conform with this language, U.S. engine manufactures would have to establish two sources of supply and two different production lines—one for the military and one for the civilian marketplace. Military and civilian engines costs would skyrocket and, most likely, the commercial engine market will be lost to overseas competitors because it will be cheaper to buy European engines. Thus, these jobs will be ''off-shored,'' something that the authors of this legislation are trying to prevent.

The international considerations of the Dodd amendment are immense. this isolationist, go-it-alone approach will have serious consequences on our relationship with our allies. Currently, our allies purchase over 26 percent of their defense needs from the United States compared to less than 1 percent that the United States buys from our allies. We don't need protectionist measures to protect our aerospace industry. However, if we pass this legislation, our allies will retaliate and the ability to sell U.S. equipment as a means to greater interoperability with NATO and non-NATO allies would be seriously undercut. Critical international programs, such as the Joint Strike Fighter and missile defense, would likely be terminated as our allies reassess our defense cooperative trading relationship.

As a result, U.S. aerospace trade and the jobs and benefits that it brings to the U.S. economy will be jeopardized. Aerospace exports 40 percent of its products. In 2002, the U.S. aerospace industry delivered a $30 billion export surplus, the largest of any sector of the U.S. economy.

What will the Dodd amendment mean for the budget? The cost of defense programs would skyrocket putting even greater pressure on domestic programs. Since companies would have to separate their defense and commercial businesses, overhead and program costs will increase. Because the number of companies willing to sell to the Government would also decrease, there would be less competition, less innovation, and fewer new technologies in defense products. With international programs jeopardized, there would be little or no cost-sharing by our allies such as the $4 billion invested by our allies in the Joint Strike Fighter program, further adding to the costs that the U.S. taxpayer will have to bear.

Overall program cost increases would force a scaling back of procurement and R&D programs. Operational costs would rise as older legacy systems would remain in use for longer periods. The safety of our men and women in the Armed Forces will be put at risk with this older equipment.

Defense transformation and the acquisition of new technologies would be drastically slowed or curtailed. The electronics and information technology building blocks would no longer be available from American commercial sources for our weapon systems. This would disrupt existing programs such as the *Virginia* class submarine, the Future Combat System and the F–22. An inefficient technology base serving only defense will have to be constituted at great expense in funding and time. The long-term result would be less equipment and technology in the hands of our warfighters.

Finally, the aerospace and defense industry competes with other industry sectors for investment based on a number of economic factors such as projected rate of return. The investment community would likely be concerned about investing in an industry that would be cut off from commercial sources of advanced technology, forcibly disengaged from the global marketplace and forced to rely on a single customer's requirements.

Now the supporters of this amendment will state that they have provided for a national security exemption. Unfortunately, this exemption is unworkable as it needs to be made at either the Presidential or the Secretary of defense level for each contract. The Department of Defense has over 500,000 contracts and many more individual task orders on these contracts. This is an impossible and unnecessary waiver to implement.

Mr. President, again, supporters will also state that the requirements of the Dodd amendment do not apply to procurement covered by the WTO's agreement on Government procurement. That is helpful for the rest of Government, but most defense contracts are not covered by the WTO, World Trade Organization. DOD has separate trade agreements that cover defense cooperation. These include so-called memorandums of understanding with 21 of our closest allies, additional agreements with Canada, and seven declarations of principal countries, over 60 acquisition and cross-servicing agreements, and additional provisions in NAFTA and those that apply to the Caribbean Basin countries. All of these agreements would be overridden by the proposed Dodd amendment.

The sponsors of the amendment have tried to limit the damage by only applying those restrictions to ''new'' contracts. This would be of limited help, for example, on the Joint Strike Fighter. In essence, the sponsors would welcome foreign nations' participation and money on the current development contract, but these nations would not be allowed to participate on any follow-on production contract. Under these conditions, the Joint Strike Fighter partner countries will leave the program and JSF will be terminated. It is simply that. And we desperately need it in this country. We may have to foot the entire bill of the JSF out of our own military budget if this type of legislation were to pass.

So my conclusion is that this amendment is not in the best interest of the security efforts of our Nation. It would jeopardize, as the Senator from Arizona has said, the efforts of our men and women in the Armed Forces as they work, fighting along with coalition partners in many parts of the world. So I strongly join with Senator MCCAIN on the second-degree amendment to exempt DOD contracts from the restrictions contained in the Dodd amendment.

I urge the support of my colleagues. Please contact your own defense contractors if there is any doubt in your mind. You each have them.

Mr. President, at this point, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, we are at a stage where we are hoping to get some action on some amendments. This is an extremely important bill. This bill will provide a very significant break to all companies manufacturing products in America. It is about a 9-percent deduction on the costs of manufacturing products in States. That translates to about a 3-percentage point reduction in their income tax returns. To a corporation paying the top rate of 35 percent, that means they are going to have a tax rate on that production of 32 percent. It is a very important bill.

There are lots of different ideas about how this bill can be improved. We have already adopted an amendment by the Senator from Utah, Mr. HATCH, cosponsored by myself. In fact, this is a bill that Senator HATCH and I have introduced for many years. It will increase the research and development tax credit for at least 18 months and also modify it in a way to make it more attractive to more companies.

We all know the real pursuit is how do we get more jobs in America, how do we create more jobs in America, how do we keep those jobs in America, and

how do we train people who lose jobs in America.

We are a wonderful and wealthy country. We are very lucky to be Americans. People from all over the world want to live in America. I will not say they all do but there are certainly an awful lot of people who want to live in the United States. That is why we have so many immigrants coming to our country.

We do not see very many people heading for the door. Not very many people living in America want to go live in other countries. There is a real reason for that. I think the basic reason is because we are a country of great opportunity. We are a country of great mobility. We are a country where a person can pretty much do what he or she wants to do.

Sure, there are some limitations that some people face, depending upon where they are born or where they grew up in America, but still, compared with any other country in the world, there are opportunities in the United States of America that are just wonderful. We are incredibly lucky to be Americans.

We are now faced with a question, though, of jobs and job loss in America, particularly manufacturing job loss, and even some service industry job loss. We have lost close to 3 million jobs in the last several years. Those are manufacturing jobs. Those are good-paying jobs.

It is also true that virtually every other country in the world is losing jobs, too. We are not the only country that is losing manufacturing jobs. I will not be callous about it, but those are problems that those countries face, and we wish them very well. We wish more people in the world had better incomes; that people who are not the most wealthy would be doing pretty well by themselves. But our goal is here in the United States. How are we going to get more job creation in the United States? How are we going to get more job retention in the United States? How are we going to retrain people? There is no silver bullet, no panacea, no magic answers that are going to solve this problem.

There are lots of reasons why we are facing this, if we are totally honest with ourselves, and clearly we must be if we are going to solve it. One reason, frankly, is just the dramatic increase, to use a fancy word the economists use, in productivity in the last several years. That is, with ingenuity and with research and development and technology improvements, companies are able now to produce more widgets, more products, more cars, whatever it is, with fewer people. It is easier, then, for that company to sell products and make money, but unfortunately a by-product of that is it is with fewer people, fewer jobs, so people are laid off. It is a huge problem. It is not only the shock of a person who loses his job, it is lost benefits, lost wages.

But some of this is due to productivity increases. It is a fact. We just have to recognize it. But having recognized it doesn't mean we should look the other way. It means we should find some other way to deal with it.

The job displacement that has occurred in America over the last several years has happened all over the world, in all developed countries, not just the United States. It is because of the general nature of economies moving a little more to services compared with manufacturing. Service industry jobs just don't pay as much.

This movement to services—it is like health care services. It is professional services. It is doctors, lawyers, accountants. They are all great professions, and they are services. But by and large, service jobs don't pay quite as much as manufacturing jobs. Again, that is a worldwide phenomenon.

I might say, too, one of the reasons for job loss is foreign competition. It is true in many countries that because of the lower wages it is cheaper to make a product than it is in the United States. There is no doubt about that. Benefits are a lot lower in other countries. There is no doubt about that either. It is true, American companies, as the case with companies in other countries, have to be competitive. They have to be competitive; otherwise, they go out of business.

Having said that, there are other reasons, too, for the phenomenon we are facing. We have to find answers and, as I said, honest answers, not just glib answers.

Frankly, I believe we have to focus on three major areas and be very positive. One is, How do we create new jobs. I would put a lot more effort into research and development than we now do. We should have more basic research in universities and companies than we now have. We have to figure out ways to develop new products. This is a bit corny and a bit dramatic, but it wasn't too many years ago—in the year 1900 nobody even dreamed of automobiles or airplanes. Yet somebody developed an automobile, somebody developed an airplane, and lately it is the Internet, it is broadband, it is fiber optics, it is a lot of new technologies nobody knew about.

A lot of that is because of the dollars devoted to research and development. It is ingenuity and opportunity. Persons knew if they spent time developing those products they could sell them in the United States and overseas and they could make a go of it. They could make something happen. Just think of the joy of maybe inventing something and making it work and selling it. That is one way. We have to figure out ways to create new jobs.

Another way is we have to keep the jobs we have. That is complex. Part of it is the much more vigorous enforcement of our trade laws. I have said it before and I will say it again: we hear of all these call centers going to India, Bangalore, other places in India. You pick up a telephone and try to order something, a credit card company or something, and find the call center is in India or someplace else. But we don't hear of American companies selling products to India. You don't hear of sales to India. Why is that? It is because India is a closed country. It is a very closed country. It is very hard for United States business people to sell their goods and their services and their products to India because India is a closed country.

They also pirate intellectual property. Billions of dollars of intellectual property created by Americans is pirated by people overseas. Various countries either do not have intellectual property legislation or they don't enforce it. It is very difficult. So a way to keep jobs in America is to be much more vigorous as we enforce our trade laws, and this country is not enforcing our trade laws. We are not opening up markets overseas the way we should. It is more laissez faire, let things happen. If some country wants to close its market, fine. That is basically the attitude of this administration as I see it. I have spent a lot of years in trade policy and I cannot remember a time when an administration was so laissez faire, so ''who cares'' when it comes to whether a country opens up its market to American products.

India is a good example. China is another example. There are so many examples. Rather, what does this administration do? I am not being critical here; I am just calling it as I see it. I am being objective in how I see this administration's trade policy to be operating.

Still, we reach trade agreements with minuscule economies: Bahrain, Morocco. Those are wonderful countries. But why are we spending the limited resources we have in the United States Trade Representative Office reaching free trade agreements with countries that would have virtually no or very little commercial value to the United States? Why? Because it is easy.

We should be taking the extra effort and going to countries, as I mentioned earlier, that are closed and have huge potential markets. We sell to India, a country of 1 billion people, half of what we Americans sell to Switzerland, a country of 7 million people.

Wait a minute. I know the per-capita income in India is lower than it is in Switzerland, but not that much lower, not by such huge orders of magnitude. One way to keep jobs, again, is to enforce our trade laws.

We have to tackle health care costs in the United States, which are much higher than they are in other countries. There are lots of efforts we could undertake.

I will now focus on one aspect of this bill I think is very important. I think most Members of the Senate agree with me. It is further reason why we should move expeditiously and bring up amendments so we can pass this legislation. We will be doing a great disservice to the people of our country if we don't quickly pass this legislation.

Already the World Trade Organization penalties levied on the United States amount to 5 percent of the $4 billion the WTO has said can be levied against the United States now because the United States has not repealed certain legislation which is the underlying part of this bill. WTO said that is illegal so we have to repeal a lot of it. That is $4 billion in penalties levied against the United States products we are trying to export to Europe. That is $200 million in this month alone, March, and there is going to be a 1-percent increase in each of the succeeding months. Why in the world aren't we passing legislation so we don't have to pay those penalties, so we don't have to penalize American companies, and therefore penalize American workers?

One way to send jobs overseas is to not pass this bill. Every day we don't pass this bill means additional costs of doing business in America on products manufactured in America and exported to Europe. If we repeal this penalty, then that cost to American businesspeople will be much less, and that would help them keep producing and keep their employees.

In drafting this bill which provides for a 9-percent deduction on domestic manufacturing, we believed it made good sense for that 9-percent deduction to apply not just to C corporations—that is the standard garden variety corporation—but also to virtually every other company in the United States, small partnerships, proprietorships, passthrough entities, and smaller companies that do not pay a corporate income tax.

I would like to show a couple of charts to give us a little sense of how U.S. companies organize themselves and why that is important to this legislation.

As this chart to my left demonstrates, about a quarter of American companies are C corporations. The other three-quarters of American companies are partnerships, sole proprietorships, somebody in business for themselves. Another entity called S corporations essentially means that the owners of the corporation are liable themselves and pay taxes themselves on the income of the organization.

About one-quarter are corporations. They are the big guys.

Going to the next chart, I point out that 99 percent of U.S. firms are actually small businesses. If you look at all the companies in America and you organize them according to whether they are a big or a small business, 99 percent are small businesses. By small business, we mean 500 or fewer employees. Virtually every company in the U.S. is not a big corporation but, rather, a small business.

That is important because the legislation we were repealing gives a tax break only to big C corporations. We believed that if we repealed that—and we have to repeal it because WTO says we must—we must be sure we replace it with something much more broad-based. So not only the larger C corporations but the other, smaller, American companies also get the benefit of the provisions of this bill.

I mentioned earlier that about a quarter of American companies are large companies, so-called C corporations. They have at lot of people working for them. About half of the employees in America work for small business; about half work for big business. It is an interesting statistic. Ninety-nine percent of all companies are small businesses. Still a full half of all employees in America work for small businesses.

Why do I say that? Because basically most new jobs are created by small business.

This chart shows that. Small businesses create jobs much more than big businesses. Even though half of all employees are in the category of small business, still three-quarters of the new jobs—this is a historical fact over the years with small business. Small business is more flexible; they can move more quickly; they see more opportunity right away; they can hire more, whereas big business takes time with all the decisions that have to be made going through all the various levels of hierarchy. But small business is where the job creation is.

That is relevant because if you look at private sector jobs in America, you will see the United States since 1994 has had a huge creation of jobs, until the year roughly 2000. Since the year 2000, about 3 million jobs have been lost in America. That is a net figure. That is not gross.

I mentioned earlier that half of those are small businesses. I mentioned earlier that job creation is generally through small business, not big business.

I also mentioned before, to repeat myself, this bill says: OK. We don't care whether you are a big or small business; you can still get that 9-percent deduction.

That is why I think this is a very good bill. I say that in part because there are other versions of this legislation in Washington that do not extend the same treatment to small business but essentially only to larger businesses.

I hope when we move on this bill and pass it and take it to the next stages that we keep in mind the importance of small business and keep in mind that we must retain the small business provisions in this bill.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

Mr. THOMAS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. MURKOWSKI). Without objection, it is so ordered.

Mr. THOMAS. On behalf of the leader, I ask unanimous consent that Senator DODD be recognized to modify his amendment; provided further that the McConnell second-degree amendment be modified further with the changes that are at the desk, and it then be agreed to; provided further that I be recognized in order to call up a further second-degree amendment on behalf of Senator MCCAIN, and that following the reporting of the amendment it be agreed to.

I further ask consent that the time until 4 today be equally divided for debate; that at 4 the Senate proceed to a vote on the adoption of the Dodd amendment, as amended, without further intervening action or debate.

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, a lot of work has gone into this arrangement that we are now going to approve shortly. Everyone is to be commended. Senator DODD spent the last 24 hours or more on this floor. Senator BAUCUS has been very patient, waiting to have this bill move forward. He and Senator GRASSLEY feel so strongly about and I think the majority of the Senate feel strongly about this.

I don't mean to burden the acting majority leader but I do want to say very simply, we have tried to be as upfront as we can be with what we want to accomplish with this most important legislation. We have an amendment that we want to get to. We agreed on the Dodd amendment to take 1 hour evenly divided. We understand the next amendment to be the amendment offered by the Senator from Kentucky and the Senator from Michigan, Senators BUNNING and STABENOW. Senator STABENOW—it was her amendment and it has not changed at all; it is just who has their name on it first—was willing to take an hour evenly divided. We could finish this vote at 4:20, go to that, finish at 5:20, and go to our next amendment in order, which, as everyone knows, is the overtime amendment which the Democratic leader will offer for Senator HARKIN, or Senator HARKIN will offer for himself.

I don't understand why so much effort is being made to avoid a vote on that amendment. We have been told on the Bunning amendment what will happen. Rather than filling the tree with amendments that are good and will improve this legislation, tax extenders and things of that nature, there is going to be an amendment offered by the majority to fill the tree so there can be no amendments offered, or, in fact, the Harkin amendment could be offered to speed this up.

I think we need to get this matter finished. We, on our side, believe this is very important legislation. Yes, we want to talk about outsourcing, and we have done that. Yes, we want to talk about overtime. We have not been able to have a vote on that because of the parliamentary barriers thrown up by the majority.

I hope we can get past that, move on, and get this most important legislation passed. I have no objection.

The PRESIDING OFFICER. Without objection.

The Senator from Connecticut.

AMENDMENT NO. 2660, AS MODIFIED

Mr. DODD. I send a modification to the Dodd amendment to the desk and ask it be so modified.

The PRESIDING OFFICER. The amendment is modified.

The amendment (No. 2660), as modified, is as follows:

At the end of the bill, add the following:

TITLE V—PROTECTION OF UNITED STATES WORKERS FROM COMPETITION OF FOREIGN WORKFORCES

SEC. 501. LIMITATIONS ON OFF-SHORE PERFORMANCE OF CONTRACTS.

(a) LIMITATIONS.—

(1) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

"SEC. 42. LIMITATIONS ON OFF-SHORE PERFORMANCE OF CONTRACTS.

''(a) CONVERSIONS TO CONTRACTOR PERFORMANCE OF FEDERAL ACTIVITIES.—An activity or function of an executive agency that is converted to contractor performance under Office of Management and Budget Circular A–76 may not be performed by the contractor or any subcontractor at a location outside the United States except to the extent that such activity or function was previously performed by Federal Government employees outside the United States.

''(b) OTHER FEDERAL CONTRACTS.—(1) A contract that is entered into by the head of an executive agency may not be performed outside the United States except to meet a requirement of the executive agency for the contract to be performed specifically at a location outside the United States.

''(2) The prohibition in paragraph (1) does not apply in the case of a contract of an executive agency if—

''(A) the President determines in writing that it is necessary in the national security interests of the United States for the contract to be performed outside the United States; or

''(B) the head of such executive agency makes a determination and reports such determination on a timely basis to the Director of the Office of Management and Budget that—

''(i) the property or services needed by the executive agency are available only by means of performance of the contract outside the United States; and

''(ii) no property or services available by means of performance of the contract inside the United States would satisfy the executive agency's need.

''(3) Paragraph (1) does not apply to the performance of a contract outside the United States under the exception provided in subsection (a).

''(c) STATE CONTRACTS.—(1) Except as provided in paragraph (2), funds appropriated for financial assistance for a State may not be disbursed to or for such State during a fiscal year unless the chief executive of that State has transmitted to the Administrator for Federal Procurement Policy, not later than April 1 of the preceding fiscal year, a written certification that none of such funds will be expended for the performance outside the United States of contracts entered into by such State.

''(2) The prohibition on disbursement of funds to or for a State under paragraph (1) does not apply with respect to the performance of a State contract outside the United States if—

''(A) the chief executive of such State—

''(i) determines that the property or services needed by the State are available only by means of performance of the contract outside the United States and no property or services available by means of performance of the contract inside the United States would satisfy the State's need; and

''(ii) transmits a notification of such determination to the head of the executive agency of the United States that administers the authority under which such funds are disbursed to or for the State; and

''(B) the head of the executive agency receiving the notification of such determination—

''(i) confirms that the facts warrant the determination;

''(ii) approves the determination; and

''(iii) transmits a notification of the approval of the determination to the Director of the Office of Management and Budget.

''(3) In this subsection, the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

''(d) subsections (b) and (c) shall not apply to procurement covered by the WTO Government Procurement Agreement.

''(e) RESPONSIBILITIES OF OMB.—The Director of the Office of Management and Budget shall—

''(1) maintain—

''(A) the waivers granted under subsection (b)(2), together with the determinations and certifications on which such waivers were based; and

''(B) the notifications received under subsection (c)(2)(B)(iii); and

''(2) submit to Congress promptly after the end of each quarter of each fiscal year a report that sets forth—

''(A) the waivers that were granted under subsection (b)(2) during such quarter; and

''(B) the notifications that were received under subsection (c)(2)(B)(iii) during such quarter.

''(f) ANNUAL GAO REVIEW.—The Comptroller General shall—

''(1) review, each fiscal year, the waivers granted during such fiscal year under subsection (b)(2) and the disbursements of funds authorized pursuant to the exceptions in subsections (c)(2) and (e) and

''(2) promptly after the end of such fiscal year, transmit to Congress a report containing a list of the contracts covered by such waivers and exception together with a brief description of the performance of each such contract to the maximum extent feasible outside the United States.''.

(2) CLERICAL AMENDMENT.—The table of sections in section 1(b) of such Act is amended by adding at the end the following new item:

''Sec. 42. Limitations on off-shore performance of contracts.''.

(b) INAPPLICABILITY TO STATES DURING FIRST TWO FISCAL YEARS.—Section 42(c) of the Office of Federal Procurement Policy Act (as added by subsection (a)) shall not apply to disbursements of funds to a State during the fiscal year in which this Act is enacted and the next fiscal year.

SEC. 502. REPEAL OF SUPERSEDED LAW.

Section 647 of the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004 (division F of Public Law 108–199) is amended by striking subsection (e).

SEC. 503. EFFECTIVE DATE AND APPLICABILITY.

This title and the amendments made by this title shall take effect 30 days after the date of the enactment of this Act and, subject to subsection (b) of section 501, shall apply with respect to new contracts entered into on or after such date.

AMENDMENT NO. 2680, AS MODIFIED, TO AMENDMENT NO. 2660

The PRESIDING OFFICER. Under the previous order, the McConnell second-degree amendment is modified with the changes at the desk, and it is agreed to.

The amendment (No. 2680), as modified, was agreed to, as follows:

On page 7, strike lines 10 through 14 and insert the following:

(a) This title and the amendments made by this title shall take effect 30 days after the Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the U.S. economy. The initial certification shall be made by the Secretary of Commerce no later than 90 (ninety) days after the enactment of this Act. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

(b) Consistency with International Agreements. The provisions of this title shall not apply to the extent that they may be inconsistent with obligations under international agreements. Within 90 days of this legislation, OMB, in consultation with the office of the USTR, shall develop guidelines for the implementation of this provision.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 2685 TO AMENDMENT NO. 2660, AS MODIFIED AND AMENDED

Mr. THOMAS. I send an amendment to the desk on behalf of Senator MCCAIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. THOMAS], for Mr. MCCAIN, for himself and Mr. WARNER, proposes an amendment numbered 2685 to amendment No. 2660, as modified and amended.

The amendment is as follows:

(Purpose: To protect United States workers from competition of foreign workforces for performance of Federal and State contracts)

On page 5, insert after line 16 the following:

(e) NATIONAL SECURITY EXEMPTION.—Subsection (b) shall not apply to any procurement for national security purposes entered into by:

(1) the Department of Defense or any agency or entity thereof;

(2) the Department of the Army, the Department of the Navy, the Department of the Air Force, or any agency or entity of any of the military departments;

(3) the Department of Homeland Security;

(4) the Department of Energy or any agency or entity thereof, with respect to the national security programs of that Department; or

(5) any element of the intelligence community.

The PRESIDING OFFICER. Under the order, the amendment is agreed to.

The amendment (No. 2685) was agreed to.

Mr. DODD. Madam President, what is the order now?

Mr. THOMAS. The time will be equally divided now, as I understand.

Mr. DODD. How much time do we have?

Mr. THOMAS. Until 4 o'clock.

The PRESIDING OFFICER. The time is evenly divided until 4 o'clock.

Mr. DODD. Let me take a couple of minutes and, first, explain what has transpired in the last number of seconds. It is rather a quick action on a number of hours of discussion.

First, let me thank Senator MCCAIN and Senator MCCONNELL for their willingness to work on some language. I thank the leader, Senator DASCHLE. Senator BAUCUS, of course, has worked tirelessly, and Senator GRASSLEY, the chairman of the Finance Committee, and many others have been involved in their comments.

This is a significant breakthrough occurring with the adoption, I hope we will have now, of my amendment. It says you should not be using Federal taxpayer money to subsidize the outsourcing of jobs.

The McCain amendment is something we fundamentally agreed to in the underlying amendment, but it reinforces the notion that certainly, when national security issues are involved and there is a conclusion that we, in effect, have a waiver or have an exception with that being involved, certainly we are not suggesting there should not be the outsourcing of a job if national security is in jeopardy. That was not the intention. The adoption of the McCain amendment reinforces that idea. We incorporated it anyway.

I am grateful to Senator MCCAIN and Senator WARNER who talked about that issue. There was no disagreement, even with the initial proposal I made on that issue. So we accept. It strengthens the issue for those who were concerned this may have been a vulnerability. We welcome that addition.

The language with Senator MCCONNELL, which we worked on as well, invites the Secretary of Commerce, within 90 days of the passage of the legislation, to certify that in fact there are no job losses in the country occurring as a result of outsourcing.

So we look forward to their involvement in furthering discussion.

But we have for the first time established at least one principle and that is we believe, generally speaking with some exceptions, we ought not, with Federal taxpayer money, be subsidizing the outsourcing of jobs that could be done here at home. This is a significant accomplishment if it is adopted in the coming minutes before the conclusion of this debate.

I welcome the participation of all. I think all of us are concerned. We read about a continuing flow, accelerated flow of jobs going offshore, particularly nations that do not recognize our right to compete for government procurement. We exempted 28 countries with which we have reciprocal arrangements. So when the argument was made earlier in the day by one of our colleagues that this amendment was somehow going to jeopardize American jobs in the United States for people who are working for foreign corporations located here, the fact is, most of those foreign corporations, the overwhelming majority of them, come from the 28 countries, many of which are among the European nations and Pacific rim countries, to the exclusion of Japan, with which we have reciprocal arrangements on procurement. So those nations were excluded.

We are focusing our attention on where some of the major outsourcing is going where you don't have those kinds of protections, where the level playing field does not exist in our country for our ability to compete for jobs.

For those of us who support fair and free trade, we want those options to exist. They don't today in too many places. This legislation is designed to try to address part of that.

There are other issues we need to talk about, but this is one significant piece, we think, of that puzzle. With that in mind, I am happy to yield the floor and listen to others who may want to discuss this before we actually vote on the Dodd amendment in a few minutes.

But I, again, thank all of those involved who made it possible for us to achieve what I think is a good result and one that will invite further involvement. Needless to say, in the months ahead if we find out there has been a lot more erosion in this area, we may have other ideas to address this issue, but for the time being we think this is a major step forward.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Madam President, let me say, first, I am pleased we are able to move forward. We are working on a bill that has to do with trade, one in which we are under the pressure from the WTO to get finished in a certain length of time or it is going to be very expensive. So I am glad we are moving forward. I thank the Senator from Connecticut for working to find an agreement to get this moving forward.

We all care about lost jobs. Certainly the administration cares deeply about jobs, despite some of the remarks that have been made on the floor. Losing a job is painful. It is an awful experience. Jobs are the foundation of the American dream. Jobs give people dignity and the hope of a better tomorrow.

It is true jobs are how people provide for their families and for their children, for education, and the well-being of their loved ones. This President cares deeply about jobs.

Economic growth is, of course, the answer. The question is, How do we create more jobs? The answer is clear. We need a growing economy. A growing and expanding economy is the key to more jobs. That is why the President's tax cuts are so important. They have made the American economy much stronger. The economy is now growing and expanding. We have had a GDP growth rate of 8.2 in the third quarter of last year, 4.1 in the fourth quarter, and 3.1 for 2003.

Job training and job skills are key. We are living in a dynamic economy, and that is good. It creates higher wages and higher standards of living. But it also requires us to make sure people have the opportunity to learn new skills and upgrade existing skills.

The key to a good job is training and skill. The President is focused on that. He understands the linkage between job training, job skills, and jobs of the future. That is why he has proposed his jobs for the 21st century initiative and focused so much attention on community colleges and education in general, because training and skill development are the pathway to jobs in the future.

That is also why the President supported the expansion of the Trade Adjustment Assistance in 2002; the trade act tripled the levels of before.

Americans can compete with anyone when we have a level playing field. Despite what some of our critics are saying, economic isolation is not the answer. Only 5 percent of the global population lives in the U.S. That means that 95 percent of our potential market is outside the U.S.

We need to stay engaged with the rest of the world. We need those markets opened to our farmers, our service industry and our manufacturers. We have the best workforce in the world, the most innovative businesses and the most competitive companies. We can compete with anybody when markets are opened and we have a level playing field. In the service industry alone, more than 108 million Americans have good-paying jobs. The service industry's share of GDP has grown to about 64 percent. The service sector employs 80 percent of Americans, and, over the past two decades, has added almost 40 million employees across the full range of services. On average, these service jobs pay wages on par with those in the manufacturing sector, and wages for service jobs have increased at a faster rate than wages for manufacturing jobs. Many of those services are exported. We have a big services trade surplus. We sell to the world our movies, our music, our software, the products of our architects and our engineers, our consulting services, our insurance products, our teachers and trainers, and our telecommunications services.

We will only grow our economy by expanding the opportunities of our world-class service workers to sell their services to the world. We must say ''no'' to economic isolation.

What goes around comes around. We should be concerned about retaliation. Foreign investors employed 6.4 million Americans in 2001, including one in eight U.S. manufacturing workers. Thousands of auto workers in Ohio and South Carolina, or financial services workers in New York or California, or the guy repairing your car at the BP Amoco station, have jobs that depend on our market being open to foreign investors. Most of these workers earn considerably above the average U.S.

manufacturing wage. We need to be deeply concerned about those Americans who lose a job, any job. But if our answer is to put up walls around America, we run the risk that tens of millions of Americans will be hurt.

We are moving forward by strengthening this amendment and strengthening this bill. It is one that we need to finish. We need to understand there is a movement of billions of dollars a day around this world. Sometimes it is difficult, but it is the way it is. We can compete. We have the most effective economy in the world. We have the most efficient workers in the world.

I am pleased we can now go forward and get on with this task that is before us so we can begin to do the things we need to do in terms of fair trade.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

ASBESTOS LITIGATION

Mr. INHOFE. Madam President, I applaud the Senator from Wyoming for recognizing what we need to do for jobs in this country. That is the very thing that turns this economy around.

I say to my good friend from Connecticut that it was not a Republican idea; it was a Democratic idea when John Kennedy said the way to increase revenues is to reduce marginal tax rates. That works. That is what is happening now. With this President having inherited a recession which started back in March of 2000, we are now pulling out of it, and we are going to see a dramatic improvement.

I have been listening to this talk on job loss and sending jobs overseas. I know my colleagues, Senators HATCH and BOND have spoken about the impact of asbestos litigation on our economy and the need to pass S. 1125 this year.

I want to reiterate the enormous loss of jobs our country will suffer and the impact on economic growth if something is not done to resolve this problem.

I also want to note a press release from the EPA that says on February 25, several members of Topor Contracting, a demolition and asbestos abatement business in Buffalo, NY, along with the owner of Payco, a predemolition asbestos firm in New York, pled guilty to State charges after their firms were involved in the demolition of two buildings in Buffalo, NY. They were charged with falsely stating that asbestos had been removed from the work area.

If asbestos is not removed before demolition begins, those working in the area are susceptible to asbestos exposure. We know, when inhaled, asbestos can cause such fatal illnesses as lung cancer and mesothelioma.

In another, related civil case, the owners of Topor and Payco were permanently barred from conducting asbestos abatement work in New York State.

The New York Area Office of EPA's Criminal Investigation Division, the State of New York and the FBI are appropriately investigating this case.

This example shows that asbestos can be controlled appropriately under reasonable law and legal procedures—making excessive lawsuits all the more outrageous.

The U.S. Supreme Court has called asbestos litigation an ''elephantine mass . . . that defies customary judicial administration and calls for national legislation.''

Senior U.S. District Judge Jack Weinstein has cautioned:

> If the acceleration of asbestos lawsuits continues unaddressed, it is not impossible that every company with even a remote connection to asbestos may be driven into bankruptcy.

Many newspapers and publications have also commented on this crisis and its affects.

The Hartford Courant has said:

> Congress must not let this opportunity pass. The alternative is more chaos, in which additional companies are driven into bankruptcy, thousands of workers lose their jobs and those who suffer from asbestos-related illnesses often wait many years for payments.

Georgia Pacific is a company headquartered in Atlanta, and is one of the world's leading manufacturers of tissue, packaging, paper, building products, pulp, and related chemicals. It sells more than $23 billion in products annually and employs about 61,000 people at 400 locations in North America and Europe. It operates three facilities in Oklahoma, including a building products distribution center in Tulsa and a tissue and a paper production plant in Muskogee. It employs more than 1,600 people in Oklahoma. Its operations generate about $76 million in taxable wages each year in Oklahoma alone.

Before 1977, the company manufactured gypsum products, which contained asbestos fibers. Since that year, it has not used asbestos in any of its products.

Over time, the company as a whole has paid about $629 million to settle over 313,000 asbestos claims. A large portion of these payouts goes to attorneys and to many who aren't actually sick. In fact, about 60 percent of its asbestos claims have been paid to lawyers. Another 20 percent has been paid to people who were not sick. The remaining 20 percent was actually paid to sick people. At the end of 2003, it had over 64,000 pending claims nationally and its payments extended into 2013.

Just yesterday I met with another nationwide company, McDermott International, whose power generation division, Babcock and Wilcox has filed for Chapter 11 bankruptcy. In the end, the company and its insurers will pay over $1.6 billion to claimants and lawyers.

Other companies filing for bankruptcy include Weyerhauser—a national paper product manufacturing company with facilities in Oklahoma, Bethlehem Steel, Harbison Walker, North American Refractories, Owens Corning, W.R. Grace & Co., U.S. Gypsum Co., Kaiser Aluminum, and Halliburton's DII Industries unit.

Overall, asbestos litigation has already forced at least 70 companies into bankruptcy—causing the loss of many jobs. According to a report by Joseph Stiglitz in 2002, as many as 60,000 jobs have been lost due to asbestos-related bankruptcies. Employees of these bankrupt companies have seen their 401k's drop by an average of 25 percent.

According to a 2002 report from the RAND Institute for Civil Justice—a bipartisan group—in 1982, litigation cost American businesses $1 billion; in 2000, the total cost of litigation rose to $54 billion; in 2002, litigation costs jumped to over $70 billion.

Forty-seven States—Hawaii, Rhode Island and North Dakota are the only States that do not have a facility affected by asbestos bankruptcy—have at least one facility affected by asbestos bankruptcy.

Workers displaced by asbestos bankruptcies have lost $25,000 to $50,000 in wages.

For every 10 jobs lost in asbestos bankruptcy, a community will lose as many as eight additional jobs. If we do not enact legislation this year, economic growth could be reduced by $2.4 billion per year which could prevent 800,000 jobs from being created and a loss of $64 billion in economic growth over a 27-year period. It could cost businesses up to $210 billion to respond to 500,000 to 2.4 million asbestos claims.

This legislation will guarantee a fair and generous compensation for victims—those are the ones who are really hurt—and will replace the unpredictable court costs with certainty for victims and businesses. It will provide contingent money if the fund runs short or provide money upfront to get the fund running. It protects the claims if the fund runs dry, and it uses no taxpayers' money.

I am not optimistic we will get it passed. There will have to be a wake-up call. Look at what happened a week or so ago. We had the Health for Mothers and Babies Access to Care Act. It was supposed to help get the money to the mothers and babies who need it so much. Trial lawyers won that in the Senate. They got amendments in there that totally destroyed what we were trying to do.

The gun liability bill last week. Standing right next to me was the Senator from Idaho, Senator LARRY CRAIG, who has been a hero in this area trying to do something to protect the second amendment rights and to have some type of legislation that would have an effect on reducing the magnitude of lawsuits against gun manufacturers or distributors and in many other areas. With the amendments the trial lawyers were able to get in to protect trial lawyers, it ended up being killed by the very people who introduced it.

I am hoping there has been a wake-up call and this will not happen in the

case of S. 1125 and we will be able to get this thing passed this year. Every month that goes by, every week that goes by, there are more and more lawsuits. Keep in mind, 60 percent of the money has gone to lawyers and 20 percent has gone to people who have not sustained any types of injuries themselves.

With that, I encourage my colleagues to pass S. 1125 as soon as possible.

I yield the floor.

Mr. DODD. Madam President, I comment briefly again on the pending matter while he is still in the Senate. I say to the Senator from Oklahoma regarding the asbestos legislation, something I have been involved in for a number of years, as late as last evening I met with asbestos study group people. The insurance industry is deeply involved, as is organized labor, relating to a large extent to some of the victims of exposure to asbestos. I am very hopeful, still hopeful we can reach a conclusion.

There are some 700,000 pending cases. I don't know if the Senator mentioned that number specifically, but it is a staggering number of cases. Some 60,000 or 70,000 new cases are being filed each year of people claiming harm and injury as a result of exposure to asbestos. There have been at least 70 bankruptcies declared by businesses directly related to the exposure of people who have been exposed to asbestos, and claims filed against them. There is a danger of many more occurring.

This is a matter that does cry out for solution. We think we have a potential solution, not that anything is perfect, but there have been a lot of people working on this over the last number of months, most intensely the last year or so. I thank Senator FRIST, the majority leader of the Senate, and his staff, for working very hard along with Senator HATCH. Senator LEAHY has been terrific. TOM DASCHLE, the Democratic leader, has made strong commitments and is interested in seeing a bill we can support.

It is almost like a three-legged stool. We will have to reach an agreement between the manufacturers, the insurance industry, which will end up paying the lion's share of this, and the victims themselves or groups that represent them. No one wants a situation where we try to come up with a solution that would take the matter out of the courts, having medical criteria established so people who are really sick will get the help, and those who are not sick obviously would not be able to take advantage of this. But we do not want, at the end of the day, a Johns Manville situation, a resolution of people who have been exposed to products of Johns Manville Corporation where ultimately the amount of money set aside results in 5 cents on the dollar for victims. No one wants to see that happen at the end of the day.

The medical criteria question has been resolved. Thanks to Senator SPECTER of Pennsylvania and work he has done, the administration of how this would work has largely been agreed to by all the major three groups, the people involved. We are still some distance apart on what the final amount of money ought to be to put in a fund that would adequately provide for those who would meet the medical criteria laid out in the legislation.

If people are committed to this, we can get this done. While there may be a lot of bills around here people want to take credit for, as being major accomplishments, I cannot think of anything more important as an economic message than to come up with a good resolution of the asbestos problem.

I commend my colleague from Oklahoma for coming to the Senate and talking about this.

Mr. INHOFE. Let me respond briefly. I did mention the Hartford Courier newspaper that has been aggressive. I knew the Senator was aware of this and actively concerned because his State of Connecticut, which probably is suffering, is in the top three or four States in the United States with problems.

I suggest there is a fourth leg of the stool and that is for trial lawyers to get this work out.

Mr. DODD. Obviously, they have a strong interest in this.

We will try to take something out of the court system and come up with an answer that would not involve—although we would not necessarily eliminate that, at the end of the day if the fund was inadequate, you could go back. But the idea would be to get compensation to victims, give some finality and certainty to everyone.

The danger for businesses and the industry is they want certainty. Tell me what I owe, what we have to do so we can move on.

My hope is in the coming weeks we can solve that matter.

I thank the Senator from Oklahoma.

AMENDMENT NO. 2660

If I can come back to the matter before us, I thank Senator DASCHLE, the Democratic leader, on the asbestos issue, and Senator LEAHY, among others, along with Senator FRIST and Senator HATCH, who really have been doing a tremendous job in keeping everyone at the table to work at that issue. I thank several other people for their work on this proposal dealing with the outsourcing of American jobs.

Again, this is a major achievement. We never have done something like this before, but this Congress and this body is stepping to the plate and saying this continuing erosion of jobs in this country is something the Federal Government, anyway, will be far more diligent about than we have been.

I thank Senator BAUCUS and Senator GRASSLEY, the floor leaders of the Finance Committee, which has jurisdiction of the underlying bill. I particularly thank Senator BAUCUS for his support of the underlying Dodd amendment yesterday. I am very grateful to him for expressing that support and Senator GRASSLEY indicating, as well, his support. I thank Senator COLEMAN, who wanted to be a cosponsor of the bill very early. I thank him for that. I thank Senator HARRY REID of Nevada, who is tireless in his participation on these matters all the time. He has been very helpful over the last several days, along with his staff, in getting this resolved. Senator CORZINE of New Jersey spoke yesterday about this bill; Senator KENNEDY of Massachusetts, who spoke with such great passion about the issue of jobs and what is happening to American workers and their families; Senator DURBIN of Illinois, who is always eloquent on these matters; Senator STABENOW, from Michigan, who spoke very directly about conditions in her own State and what happens with job loss. Senator BOXER of California spent some time here yesterday talking about conditions in California and specifically in the agricultural sector which she cares deeply about, in watching Federal tax dollars being used to purchase agricultural products outside of the United States, thus causing job loss. She made that point very strongly yesterday and I commend her for it; Senator DORGAN of North Dakota, as well, for his remarks in support of this proposal; others who were cosponsors, including Senator MIKULSKI, who supported the legislation. I thank her for backing this proposal, as well.

Again, this was a very positive step. I am hoping the bill will be adopted. We will have a vote on it.

For those who think outsourcing is a good thing, then you ought to vote against this amendment. I would like your vote, but if you think outsourcing jobs in the United States with Federal taxpayer money is something we ought to continue to pursue, then you will have an opportunity to vote against this amendment. If that is an honest reflection of your views, then you ought to express them accordingly. If you feel as I and others do that we ought to be sending a message using ourselves as an example and a model and saying we ought to be trying to do better, and that is when it comes to Federal dollars here, we ought to be doing everything we can to encourage the employment of people in the United States, for a lot of reasons, not the least of which is that you cannot continually erode the human capital in this country and expect to reconstitute it during moments of crisis or need.

If we continually erode the human capital elements and destroy, in the process, a manufacturing base, which is occurring at an incredible rate of speed—as I pointed out earlier yesterday and today, some 2.8 million jobs have been lost in the last 36 months in the manufacturing sector alone—as those jobs leave, the ability to come back and reconstitute them in a way that we may find absolutely necessary, not only for the production of domestic products for sale at home and globally, but also in the manufacture of critical components of our defense structures—

very shortly we could find ourselves in this century ill-prepared to meet new challenges.

So there are a lot of good reasons we ought to be concerned, not the least of which is what happens to these families when they painfully discover their job has been lost, and someone, at a fraction of their wage or salary, has been hired merely because it looks better, because it increases profitability on a quarter-to-quarter basis. We ought to be thinking in the longer term. In my view, we ought to be thinking about the coming generation and what kind of country we will leave.

So while I respect the business decisions that are made to outsource—although I disagree with many of them, I understand them—I hope business understands, for those of us in the public sector who have a broader responsibility—not just to those who are engaged in the business and their bottom line but to those who work for them as well—that we are going to try to do what we can to discourage the outsourcing of jobs where it is not necessary either for the national security needs of the Nation or because you cannot acquire these products anywhere in the United States. Certainly, we provide for exceptions in the legislation to cover those circumstances.

So, again, I think this is a major step forward. And I will be looking forward to how the administration reacts.

Let me also point out I will come back to another item in a minute as to a comment made by Senator INHOFE, but I hope the Dodd amendment will be voted on favorably.

Madam President, I do not know if the yeas and nays have been asked for on the Dodd amendment.

The PRESIDING OFFICER. They have not.

Mr. DODD. I ask for the yeas and nays on the Dodd amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DODD. I thank the Chair.

Madam President, let me just say, if I may—and I will be glad to yield the floor after this—according to the official arbiters of the economy, the National Bureau of Economic Research, the recession that we are still in, to some extent—although we seem to be coming out of it—began in March of 2001, not in the first quarter of 2000. And I know my friend from Oklahoma made the point that the recession began in the last year of the Clinton administration, when, in fact, the objective observers about when the recession actually began say it was in March of 2001, a year later.

With that, Madam President, I am happy to yield the floor.

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. THOMAS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 2660, as modified, as amended.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Louisiana (Mr. BREAUX), the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 26, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—70

Akaka	Dorgan	Mikulski
Allen	Durbin	Miller
Baucus	Ensign	Murkowski
Bayh	Feingold	Murray
Biden	Feinstein	Nelson (FL)
Bingaman	Frist	Nelson (NE)
Bond	Graham (FL)	Pryor
Boxer	Graham (SC)	Reed
Bunning	Grassley	Reid
Byrd	Harkin	Rockefeller
Cantwell	Hollings	Santorum
Carper	Hutchison	Sarbanes
Chafee	Inhofe	Schumer
Clinton	Inouye	Sessions
Coleman	Jeffords	Shelby
Collins	Kennedy	Smith
Conrad	Kohl	Snowe
Corzine	Landrieu	Specter
Daschle	Lautenberg	Stabenow
Dayton	Leahy	Talent
DeWine	Levin	Voinovich
Dodd	Lieberman	Wyden
Dole	Lincoln	
Domenici	McConnell	

NAYS—26

Alexander	Craig	Lugar
Allard	Crapo	McCain
Bennett	Enzi	Nickles
Brownback	Fitzgerald	Roberts
Burns	Gregg	Stevens
Campbell	Hagel	Sununu
Chambliss	Hatch	Thomas
Cochran	Kyl	Warner
Cornyn	Lott	

NOT VOTING—4

Breaux	Johnson
Edwards	Kerry

The amendment (No. 2660) was agreed to.

Mr. GRASSLEY. Madam President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONGRATULATIONS TO SENATOR INOUYE

Mr. STEVENS. Madam President, I would like the Senate to join my good friend from Hawaii in celebrating this day. Today is Senator INOUYE's 15,036th day in the Senate. That makes him the fifth longest serving Senator in the history of the United States. He has passed the record set by Senator John Stennis, who was previously the fifth longest serving Senator.

Senator INOUYE was sworn in as a U.S. Senator on January 3, 1963. Since that time he has cast 13,844 votes. Only four Members in history have cast more votes.

During his Senate career, he has served with 355 of the 1,875 Senators who have been Members of this body. This means he has served with approximately 20 percent of all Senators in U.S. history. I count myself lucky to be one of the many Senators who continue to have the privilege to work alongside my good friend from Hawaii, Senator INOUYE.

Congratulations, Senator.

(Applause, Senators rising.)

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Madam President, I join my colleague from Alaska and all of our colleagues in congratulating our special colleague, Senator INOUYE. It is not just the quantity of days he has served that makes him unique and special; it is the quality of the days he has served.

Over these years, he has provided remarkable leadership not only for his State but for his country. He has inspired us and he has provided remarkable demonstrations of commitment to his country and commitments to his people in Hawaii.

I was in ninth grade when Senator INOUYE was elected to the Senate. I look back at all of those years since being in ninth grade, and I can only imagine what it must seem to him having served this number of years in the Senate. We wish him many more.

I always admire Senators with longevity, but it is no secret why Senator INOUYE has experienced his longevity. It is his respect, amazing dedication, and the extraordinary and remarkable way with which he conducts himself in public life that has earned him respect on both sides of the aisle. Senator INOUYE, we congratulate you, we thank you, and we are honored to serve with you.

I yield the floor.

Mr. AKAKA. Madam President, I wish to join my colleagues in offering my congratulations to my friend and colleague, Hawaii's senior Senator and statesman, DAN INOUYE, as he marks his 15,036th day of service in the Senate and becomes the fifth longest serving Senator in the history of our Republic.

I am proud to serve alongside a true patriot and American hero, and to offer a few words recognizing his many contributions and commitment to public service. The people of Hawaii and our great Nation appreciate the leadership and direction he has provided, leadership which has bettered and strengthened our country. The scope of his contributions is matched only by his continued strong and effective leadership

on behalf of our State, on behalf of our men and women in uniform, on behalf of Native Americans, and on so many other matters, in the Senate.

I am certain I speak for all the people of Hawaii when I say thank you, DAN INOUYE, son of Hawaii, for over four decades of exemplary service and commitment to our State and our Nation. We are very proud of our senior Senator. Thank you, Mr. President.

Mr. BYRD. Madam President, on January 3, 1963, DANIEL INOUYE became a U.S. Senator. Today, 15,036 days later, he has become the fifth longest serving Senator in American history.

This is yet another accomplishment in the life and career of a remarkable man and outstanding American.

I must point out, however, that his has not been an easy or comfortable life. It has involved overcoming the trials and tribulations of immigration and discrimination.

Still, his has been a life of service to our country. During World War II, he served our country in the famed 442d Infantry Regimental Combat Team of World War II, the most decorated Army unit in U.S. history. He was awarded the Distinguished Service Cross, the Bronze Star, the Purple Heart, and the Congressional Medal of Honor, making him one of only seven Senators to have been awarded our Nation's highest military honor. His war-time heroics have now been documented in the film, ''Daniel K. Inouye: An American Story.''

His service to our country continued in the U.S. Senate where he became the first Japanese American ever to serve in the U.S. Congress, and served on the Senate Watergate Committee, the Congressional Iran Contra Committee, the Senate Appropriations Committee, and as Secretary of the Democratic Conference. I am pleased to point out that Senator INOUYE will soon cast his 14,000th vote.

Personally, I have always appreciated and respected his deep loyalty to the Senate and everything for which it stands. I will never forget his loyalty to me when I was the Senate Democratic leader. Whenever I needed his assistance, he was there. Whenever I needed his vote, he was there. Whenever I needed his friendship, he was there. In an address to the Senate last July, I referred to Senator INOUYE as ''my hero in the Senate.'' I am confident that he always will be.

Senator INOUYE is a dear colleague and a remarkable man. Therefore, I take great delight in congratulating him on achieving this momentous occasion.

I congratulate the Senator. His colleagues are proud of him as are the people of Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Madam President, I shall long remember this day. I just hope my constituents will not consider me too old to be running for reelection. I thank my brother from Alaska and my leader from South Dakota. Those words will be cherished.

Mr. STEVENS. 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.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT—Continued

Mr. BUNNING. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 2686

Mr. BUNNING. Madam President, I send amendment 2686 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. BUNNING], for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER, proposes an amendment numbered 2686.

Mr. BUNNING. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To accelerate the phasein of the deduction relating to income attributable to domestic production activities)

On page 71, strike lines 17 through 21, and the matter before line 22, and insert the following:

''(2) PHASEIN.—In the case of taxable years beginning in 2004, 2005, 2006, 2007, or 2008, paragraph (1) shall be applied by substituting for the percentage contained therein the transition percentage determined under the following table:

''Taxable years beginning in:	**The transition percentage is:**
2004, 2005, or 2006	5
2007	6
2008	7.

AMENDMENT NO. 2687 TO AMENDMENT NO. 2686

(Purpose: To provide for the extension of certain expiring provisions, and for other purposes)

Mr. GRASSLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. HARKIN. Madam President, point of order.

The PRESIDING OFFICER. The clerk will report the amendment by number.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. BAYH, Mr. SANTORUM, Mr. BUNNING, Mr. GRASSLEY, Mr. BAUCUS and Mr. DORGAN, proposes an amendment numbered 2687 to amendment No. 2686.

Mr. GRASSLEY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. HARKIN. I object.

The PRESIDING OFFICER. The clerk will report.

(The assistant legislative clerk continued with the reading of the amendment.)

Mr. REID. I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. I ask unanimous consent that the Senator from Iowa, Mr. HARKIN, be recognized to speak for up to 7 minutes before we return to Senator BUNNING.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Iowa.

Mr. HARKIN. Madam President, I thank the Senator. I wanted to alert fellow Senators what is going on. It is obvious that the Republican side of the aisle does not want to vote on the overtime bill. For some reason, they are afraid to confront this issue. I don't want to take a lot of time. I would agree to a half hour evenly divided. We have debated this issue before. But make no mistake about it, the Department of Labor is about to issue regulations that will strip overtime pay protections from 8 million workers in this country.

This Senate, last year, on a bipartisan vote, passed my amendment to disallow those regulations. The House of Representatives also, on a bipartisan vote, voted to uphold what we did in the Senate. And the administration stripped it out on the Omnibus appropriations conference report.

They say this is a jobs bill. How about the jobs of people who are working overtime in America? How about the men and women who have given up their premium time with their families and with their kids, after work, on weekends, to work overtime? What about them? These are jobs, also. How about the people unemployed right now who would be employed but, if employers can work people over 40 hours a week and not pay them a cent more, why would they hire anybody else?

Last, as I said the other day and I pointed out, this is a dagger pointed at our veterans. You can look in the old regulations. There is nothing in there about training in the military causing you to be exempt from overtime pay protection.

Here, I blew it up on this chart. I am not going to read the whole thing, but basically it puts in these words: ''training in the Armed Forces.'' What does that mean? It means if you get specialized training as a veteran and you come out and go to work, you can be exempt from overtime pay protection simply because you got that training in the Armed Forces. You aren't called a ''learned professional'' without a four-year specialized degree otherwise. But not if you are a veteran. The regulations would substitute veterans'

training for university education, at least to take their overtime away.

What it does is it makes a veteran who got specialized training in the Armed Forces less eligible for overtime pay than his or her counterpart who never served in the military who otherwise has the same education. That is why we feel so strongly about disallowing the proposed regulations of the Bush administration that will strip these overtime pay protections from 8 million workers.

Make no mistake about it, the Department of Labor is about to issue these regulations. They say they are going to issue them this month. Perhaps that is why the Republican side doesn't want to vote on them. They want the Department to issue the regulations, get them in force and effect. Then they know it is harder to overturn them, once those rules and regulations are out there.

I hope the working men and women around America are paying attention to what is happening on the floor of the Senate right now. The other side has known full well; they were told earlier on if they were going to call this a jobs bill, we ought to be allowed to offer our amendment for an up-or-down vote on whether the administration ought to be allowed to issue these regulations stripping overtime pay, regulations on which they have never had one public hearing, not one. Yet the other side is not letting us even vote on it. Not even vote on it. That is the charade. That is the game that is going on around here.

Are we stopping this bill? We are not stopping this bill. I heard someone say if the Harkin amendment on overtime pay is adopted it will kill the bill. Why, I ask, would it kill the bill? This is a jobs bill. We are trying to protect jobs in America.

At some point we will vote on this amendment. Maybe not on this bill, because I can see the writing on the wall now. They are going to keep second-degreeing this amendment to death. Then they are going to go off the bill and go onto the budget.

But I will be back. I don't want to quote the Governor of California, but, ''I'll be back.'' I will be back and I will be back and I will be back. Whenever there is an opportunity for this Senator to offer this amendment to stop the taking away, the stripping of the rights of our working people in this country to overtime pay, I will be here. If there is an opportunity on this bill, I will do it, but I can see what is happening. The other side does not want this brought up for a vote, and they will do everything they can to preclude me from bringing it up.

I say to the other side: I will be back.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I ask unanimous consent, without the Senator from Kentucky losing his right to the floor, if I could have 60 seconds to say where we are right now.

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

Mr. GRASSLEY. The obvious thing going on here is that my colleague from Iowa wants to go out of turn and jump ahead of the line. We have an agreement lining up amendments. We did this yesterday morning. The overtime amendment is in that line, and it is just a matter of waiting until that sequence comes and that opportunity is going to be there. That is the fair way of doing business around here. As the manager of the bill, I am going to make sure we do this in a fair way.

I did offer an amendment to the Bunning amendment. That one part of the amendment that was just read is something that is very important to Iowa. We are going to have the largest wind energy generating project in mid-America in Iowa, if we can get the wind energy tax credit extended.

This is an amendment that extends a lot of the provisions that have run out. Wind energy is one of those. This gives an extension to all of these extenders that have run out. One of those is for wind energy, which affects the entire country, of course. But one of the largest wind energy projects ever is going to be in Iowa. If we can get this wind energy tax credit extended——

Mr. HARKIN. Will my colleague from Iowa yield for a question?

Mr. GRASSLEY. If it is OK with the Senator from Kentucky, yes, I will yield.

Mr. HARKIN. I wanted to ask if the other side would be willing to have a time agreement on the Bunning amendment and the Grassley amendment that was added thereto. Then maybe we can get to the overtime amendment.

Mr. GRASSLEY. Those are things that are being discussed. I think it is fair to say it ought to be OK if I don't have an answer to that right now for the simple reason that yesterday, and even earlier today, we tried to get agreements from the other side on some votes, and we weren't able to get them. But those are things that are eventually negotiated, as the vote we just had, and the same thing may happen on other amendments.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Thank you, Madam President.

I rise today to offer an amendment which is cosponsored by the Senator from Michigan and the Senator from Wyoming, Mr. THOMAS.

I first want to compliment my chairman and ranking member for putting together the very good bill that we have before us today.

While no piece of legislation is ever perfect, the current situation in which we find ourselves as a result of the WTO decisions in the FSC and ETI cases presents this Congress with quite a challenge.

I supported this bill in the Finance Committee, and I think it does an admirable job in balancing the variety of interests at hand. However, I think the amendment at hand makes a good bill better.

Job creation and the economy is the top priority for Americans today. I think we have turned the corner and the economy is recovering, but we still lag in creating jobs.

We have an opportunity today to get behind manufacturing and make sure that high-paying American jobs stay in America for American workers. We can make ''Made in the USA'' mean something again.

Because we are forced to repeal the ETI, we are taking away an important export incentive from our country's manufacturers. The effect is to raise their taxes just as our recovery is gathering steam.

We have a responsibility to protect our domestic manufacturers and give them the ability to compete in the global marketplace. The manufacturing tax deduction contained in the bill before us today is designed to foster job creation and reverse the declines in the manufacturing sector employment levels.

It will reduce the tax burden on all domestic manufacturers, small and large.

As currently drafted, the bill before us phases in this important manufacturing tax provision over a number of years so that companies do not receive the full tax break—the equivalent of a 3-percent tax rate reduction on income generated by manufacturing inside the United States until 2009.

This amendment will phase in this rate reduction at an accelerated pace. As a result of the amendment by myself and the Senator from Michigan, U.S. manufacturers will have a tax rate decrease of 1½ percent in 2004, compared to the one-third of 1 percent provided in the underlying bill for 2004.

Due to the repeal of the ETI, American manufacturers are being asked to shoulder a tax burden that could stifle the recent job growth we have seen.

Our manufacturers shouldn't be saving for a tax increase. They should be hiring American workers and expanding their business.

In my State alone, manufacturing contributes $31 billion to the State economy, and manufacturing firms employ 293,000 Kentuckians.

The workers of our States demand our support. This amendment and this bill are aimed at strengthening this important sector of our economy.

My amendment reaffirms our commitment to American manufacturing and will attract jobs to the United States.

I urge my colleagues to support this important amendment.

I yield to my friend from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Madam President, I appreciate the opportunity to join my colleague from Kentucky on a very important amendment. I also appreciate Chairman GRASSLEY and our ranking member, Senator BAUCUS, as well, for their leadership and their support in working with us on this important amendment.

Our amendment, as my colleague indicated, speeds up the tax cut for all U.S. manufacturers to address the current manufacturing crisis.

This particular amendment would increase the tax relief in 2004—five times more than in the underlying bill—and, in fact, would provide about $6.5 billion in relief to manufacturers and small businesses over the next 5 years.

My colleague has gone into the specifics of a lot of this amendment. What I would like to do is spend my time talking about why this is so critical.

We have a crisis in manufacturing in this country. Nowhere is that more evident than in my home State of Michigan where last year we had the largest number of jobs lost in the country and the highest unemployment rate. This is an issue that is my top priority.

When we look at what has happened in terms of manufacturing jobs over the last number of decades, we see that we are back now to the lowest point since the Depression and when Herbert Hoover was President of the United States.

We have seen huge drops in jobs. My great concern is that even though we are seeing an increase as it relates to the stock market and positive indications, we have not yet seen that translate into jobs. I believe that is for many factors that relate to the pressures on manufacturers in a global economy.

When we look at the fact that the United States has lost over 2.8 million manufacturing jobs in the last 3 years, this is a crisis.

Let me speak specifically to a couple of examples I have talked about.

When we look at this number in Michigan compared to other States, there is a 19-percent job loss. We have seen literally, every single day, headlines in the papers about people losing their jobs, plants closing and going to other countries, the exporting of jobs, and layoffs occurring all around Michigan; not only in manufacturing, I might add, but when we look at the outsourcing issue, we are looking to white-collar jobs, technology jobs, engineers, health care workers, a wide variety of jobs. But we know in our country—and I believe very strongly coming from Michigan—that we have to have a foundation, a manufacturing base to have a strong economy and a strong middle class.

In Michigan, I am very proud of the fact that we make products and we grow products. That is the basis of our economy. Frankly, it has been the basis of the U.S. economy since the beginning of our country.

We are seeing a huge drop—on down to 2003—in what has happened in terms of jobs in Michigan.

One example I talked about earlier today is a plant called Electrolux in Greenville, MI, a community of 9,000 people in the western rural part of the State, where 2,700 people are employed to make refrigerators, Frigidaire, in fact, through Electrolux. They have added a third shift and the company says they are making a profit. But they have also indicated they could make a bigger profit if they moved to Mexico and paid $2.50 an hour and no health benefits. So they are closing. We have Michigan residents here today to speak at a hearing tomorrow about the devastation this loss of jobs will create.

We have to do everything possible to provide incentives and support for manufacturers to remain in the United States and keep our jobs here.

There are a lot of factors, when we look at what is happening with Electrolux and when we look at what is happening in Steelcase in Grand Rapids, MI, cutting 77 of its skilled workers.

Wohlert, in Lansing, MI, has laid off 245 workers because of the bad economy and overseas competition; Easton, in Marshall, MI, indicates they would be cutting 185 of their 285 jobs and moving plants to Mexico; Federal Mogul in St. Johns and Greenville, MI, Lear Corporation in Traverse City, Gidding & Lewis in Menominee, Straits Steel in Ludington. The stories go on and on.

There are many reasons for that. We know we need to be smart about trade policies where we are encouraging the creation of a middle class and raising the standards around the world, raising standards in Mexico and in China and other places, where we are competing and finding our jobs are moving, and by raising that standard of living. Instead of losing or exporting our jobs, we can export our product and they will have a middle class so they can buy our products.

I indicated to the folks that Electrolux may be able to move the plant to Mexico and pay $2.50 an hour with no health benefits, but the question I had was, who was going to buy the refrigerators? Certainly not citizens if they make $2.50 an hour with no health benefits.

We have to be doing everything possible to create a race up instead of a race down. This amendment is a very important part of the equation to do that. We need to make sure we are providing incentives and tax relief for manufacturers which create jobs in the United States. This amendment, in fact, will do that.

We also know we need to tackle issues such as currency manipulation, where China, Japan, and other countries basically create a tax for our manufacturers. When a Michigan manufacturer sells a product into China they have to sell it at a higher price. It can be up to 40 percent equivalent of a tax into China. When Chinese businesses sell in the United States, they can artificially lower their prices. Why do they do that? They want us to move the plant to China instead of selling our goods to China. We need to tackle that. If the Secretary of the Treasury would simply certify that, in fact, currency manipulation is occurring, there are actions we can take to level the playing field. That needs to happen as well.

Senator SCHUMER has a bill—in fact, I am a cosponsor—and I hope in addition to the amendment today and the legislation before the Senate, we would pass that very important legislation to level the playing field for our businesses and our workers in America.

We also need to address health care costs. We need to do it in a way that addresses the fact that our manufacturers have health care costs tied to employment in this country as part of doing business and in other countries they do not. We need to tackle that in a way that does not cost our workers in terms of their health care coverage or increase their costs. We can do that.

We also need to be addressing a number of issues that deal with trade.

The reality is, the place to start right now is with this bill. This amendment provides $6.5 billion more in tax relief and assistance to manufacturers who create American jobs.

I have another amendment I will offer that will add to what I believe is a very important part of the picture. That is, this tax deduction phases out over the next 10 years and is then available to all manufacturers, not just domestic manufacturers. I believe that is a mistake and we ought to make sure it remains only for those creating jobs in America. I look forward to debating that even further.

I am pleased today to be sponsoring this amendment with my colleague. I should also indicate I have legislation I had introduced last fall with my colleague from South Carolina, Senator GRAHAM, on this very subject that included both the manufacturing tax credit and eliminated the phaseout so that those dollars and the tax credit would be focused on our domestic manufacturers.

What we see today is not only an issue that affects major employers. It is important to say this is a small business issue as well. The majority of manufacturing establishments are small businesses. The vast majority of them have 20 employees or less. This is not only an issue for our major manufacturers—and certainly in Michigan we are very proud of our large manufacturers; they are part of our auto industry and our high-tech industry, and we are very proud of our furniture industry and all of the other industries we have in Michigan—but this is very much a small business issue, as well.

Let me finally say as we help manufacturers, we are also helping our economy and our families in terms of standard of living. When we look at the average service-sector salary and a manufacturing-sector salary, we see a major difference. Within our families, our workers are able to have a good manufacturing job, they are able to have dollars in their pocket to care for their families, to buy that house, to send the kids to college, to be able, in Michigan, to buy that snowmobile or the cottage

up north and able to have the quality of life we all want for ourselves and our families.

The way to stimulate this economy, the way to keep consumer confidence moving and to keep all of the economic indicators moving in the right direction is to support our manufacturing sector in our country. That is what the bill does; that is what this amendment does.

I hope my colleagues will join together in a bipartisan way to support this particular amendment which will add significant support for our manufacturers. It will do it immediately this year because they need help now.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Montana.

Mr. BAUCUS. Madam President, I give my compliments to the yeoman efforts of the Senator from Michigan. She has done a wonderful job. She has many times come to me and asked: MAX, can't we do more? I have an amendment to accelerate the deduction and many times it will be explained how important it is, particularly for her people in the State of Michigan.

I compliment the Senator very much for her terrific work. Those in Michigan ought to know, she is persistent and steady in coming to this Senator and saying we have to do more; let's do this. And the same with the Senator from Kentucky, Senator BUNNING. I have heard from him. But I must be honest and seek a full disclosure and say the Senator from Michigan has been very consistent and done a superb job. I also compliment her on the charts. They are good charts, explaining the situation very well.

I thank the Senator for her statement. She is on target. Most Members in the Senate will vote for this amendment offered by the Senator from Kentucky and the Senator from Michigan. It is very important to do what we can to create and to retain jobs in America.

The underlying bill goes a long way to accomplish that objective, but this amendment goes further; and that is, I think it costs about $6-point-some billion and accelerates the deduction, meaning that companies can get that deduction earlier. They can plan earlier. And it is for all size companies, not just big business, but all size business.

We all know, as the Senator from Michigan pointed out, half of all employees in America work for small businesses, and three-quarters of all new jobs in America are created by small businesses.

We often say small business is the backbone of America. Why do we say that? Because it is true. Small business is the backbone of America. A lot of these big companies can go offshore—and it is one of the problems we are trying to address—but the small business cannot go offshore in the main. If a big business goes offshore and takes contracts away, often small business bears the brunt of it. So it is very important we do what we can to keep jobs in America.

This clearly is a complex problem; that is, offshoring, outsourcing. It requires a very dedicated, concentrated effort to solve it. It is quite complex. There are various ramifications, various parts of this. The Senator from Michigan mentioned a good number of them, including the high cost of health care in this country.

One of the problems we are facing, too, is currency manipulation by various countries, including China and Japan, countries with huge reserves in currencies and having a great effect on the American economy; and it is not always good.

In addition to that, it is trade policy. We are reaching trade agreements with minuscule economies—Morocco, Bahrain. Well, that is fine. Morocco is a great country, as is Bahrain, but the point being, those are small economies. Rather, there are huge economies where we are not enforcing trade agreements already reached. One is China, this WTO, another is India.

We hear all the time about call centers moving to India. We do not hear about American companies selling to India, for a very good reason. India is a very closed country. It is very difficult to sell in India.

If we, as a country, were to use much more of our efforts to enforce trade agreements and open up huge markets—that is India and China—rather than using our efforts to reach trade agreements with smaller countries, we would be doing a much better job to help keep jobs in America. That is just one of the various things we can and should be doing.

Ms. STABENOW. Will my friend yield?

Mr. BAUCUS. I am happy to yield. I yield the floor, Madam President, so my good colleague can have the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I want to take a moment, first, to thank my colleague for his kind words and for his leadership. Secondly, I do want to indicate cosponsors on our side of the aisle to the amendment: Senators LEVIN, FEINSTEIN, KOHL, and ROCKEFELLER. I very much appreciate their support.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I am just saying, we have a huge challenge here to help create jobs and to keep jobs in America and to retrain people who lose jobs.

This phenomenon of job loss is huge. As the chart by the Senator from Michigan shows, we have lost about 3 million jobs since 2001; that is net loss. Those are manufacturing jobs; a net loss of 3 million manufacturing jobs in America. We have also lost a good number of service jobs, but on a net basis, not near as many service jobs lost as manufacturing jobs. Manufacturing just pays significantly more than service.

I might also say, this is not just an American phenomenon. It is happening in countries worldwide. It is happening in virtually every country. The one country where it is not happening as much is Japan, interestingly. But it is happening in every other country. Why? I daresay part of the reason is due to just natural phenomena—not natural, but phenomena that are occurring worldwide, due largely to globalization, advances in technologies, communications technologies, which are forcing countries worldwide to compete even more aggressively, to cut their costs as much as they can, and producing wherever they can to get the best rate of return they possibly can.

That is why it is happening worldwide, not just in America. It is happening worldwide. Part of that is because of increases in productivity. Obviously, as productivity increases, more products are produced with fewer employees per product.

Just to state the problem does not mean we stop right there. We have to start finding answers to the problem; that is, how to get more employees, more workers, more Americans working in more good-paying jobs. One way is with this bill. This bill will help reduce the cost of production; that is, by deduction. This bill actually creates a 9-percent deduction for the cost of domestic manufacturing. That is important.

For example, take a small business whose income tax would be $200,000 on domestic manufacturing, the 9-percent deduction calculates to roughly about a 3-percent reduction in the rate, so that is a $6,000 reduction in that company's income taxes. That helps. That is not a small matter to reduce one's income taxes by that amount. So that is one partial solution to job loss in America this bill addresses.

Second, we adopted an amendment to this bill already. It is the Hatch-Murray amendment. Senator MURRAY very much knows, as does Senator HATCH from Utah, that Washington State is a State that a few years ago was called the ''Silicone Forest'' with all the sort of higher-tech companies developing in Washington State. The Washington Seattle Port trades a lot. Salt Lake City is not a huge seaport, by any stretch of the imagination, although they have the great salt lake—it is not small—but the point is, Senator HATCH from Utah also knows the importance of extending the research and development tax credit. It is a measure, frankly, he and I have introduced jointly many times over the years. But that provision now is also adopted as an amendment in this bill.

The more we can encourage research and development, the more we are going to create jobs and keep jobs. We know, too, that where the research is, is where the jobs tend to be; that is, where the products develop is where the jobs tend to be. This is a research tax credit for American research and

development. It is not overseas, but it is in America. So that, too, is going to help.

Now we come with this amendment, the amendment offered by the Senators from Kentucky and Michigan. It is an additional stimulus because it accelerates the deduction very significantly. That is going to help. It is going to go a long way.

There are lots of other things we need to do. I am not going to spend all night talking about them, but one is to adopt the second-degree amendment offered by the chairman of the committee; that is, the extenders provision. That is very important.

Madam President, you know, as well as anyone in this body about the importance of predictability, the importance of certainty, as much as possible, that any businessperson may have or may not have—or, to state it differently, the uncertainty they may have. Every businessperson abhors uncertainty. You almost don't care what the problem is so long as the problem is pretty certain. If you know what the problem is, you can work around it. If the problem is always changing, it is pretty hard to work around it.

We have had something called tax extenders, and they have been for very good purposes, as the Senator from Maine well knows. I think the Senator from Maine, as I recall, has one on education for teachers. It is to help teachers get their deduction for the supplies they purchase to help their students. That has expired.

Well, if I am a teacher with very low pay—it would be a great job, actually, in many respects; that is, to be a teacher—I would want to know if that deduction is still available or not. So far, it is not available. It has expired. But in the extenders package we are adopting here, we are going to extend that deduction so teachers will know, at least until the end of 2005—18 months roughly; they are going to have that.

There are a lot of other extenders, too. Senator BAYH, for example, is interested in the work opportunity tax credit and other similar tax credits which enable employers to get people off of welfare and hire people so they are doing work, so they can earn a living for themselves and their families. That tax credit has expired. Senator SANTORUM is also interested in extending that tax credit. We have that here in the extenders.

There are a good number of others. For example, Senators CLINTON and SCHUMER are very concerned about the liberty bonds for the development of New York City. That has expired. That is jobs. The more we can continue these extenders and get them back in the law, the more it enables those people in New York and others related to it to know whether or not they can depend upon those bonds and continue the reconstruction from the damage caused by 9/11.

In addition, there are some provisions that help the District of Columbia. We don't have any Senators here representing the District of Columbia. We all are, in a certain sense. But those, too, are going to be available.

I mentioned the one the Presiding Officer is interested in. What about computers in schools? We have a provision for companies to donate computers to schools. That has expired. I would think we would want to extend that. That is going to help kids, help companies. It is going to help America. It provides jobs.

After that, there are a few others. I won't go into great detail. There are incentives for jobs, for health care, to clean up pollution and more.

Essentially, we have a responsibility to pass these extenders. We have been derelict over the years. Everybody likes these provisions. Everybody wants them. They last maybe a year, a year and a half, then they expire. We let them lapse sometimes for 6 months, sometimes 7, sometimes 8. Sometimes we go back and reenact them retroactively. Sometimes we don't. It is just nuts. They are yo-yo extenders. How in the world are people going to be able to plan if we are yo-yos?

We as Senators should put them permanently in the law because we always reenact them. My hope is over the not too distant future we will be able to do that.

Another temporary extension is in the bill. That is going to help address some of the job loss this country is facing.

I yield the floor.

Mrs. FEINSTEIN. Madam President, I come to the floor today to support the Bunning-Stabenow-Feinstein amendment which will immediately implement a manufacturing tax deduction that offers much needed assistance to our ever diminishing manufacturing base in this Nation.

I applaud the leadership of Senators BUNNING and STABENOW in reaching out to a bipartisan group of Senators and urge my colleagues to support this amendment.

Simply, this amendment would adjust the underlying bill to require an immediate implementation of the new manufacturing deduction and would result in an immediate benefit to our Nation's manufacturers by beginning the process of cutting their tax rate by 3 percentage points.

So if you produce manufactured goods in the United States, you will see a phased-in reduction of your tax rate from 35 percent to 32 percent by 2009.

This provides a competitive incentive for manufacturers to produce jobs by reducing their tax burden immediately.

Critically, this amendment not only includes heavy manufacturing, which is so important to our State and national economies, but also the production of software, film, video, and sound recordings. I do not have to tell anyone in this Chamber how important this is for California and the Nation.

The movie, television and home video industries, which are based in California, are a tremendous economic engine of growth. The industry accounts for nearly 5 percent of the U.S. gross domestic product and is one of the largest employers in the country, having doubled its workforce over the last 25 years to a total workforce today of over 4.7 million workers.

I am working with Senators GRASSLEY and BAUCUS to make sure that these industries are able to take full advantage of the tax benefits that we are proposing here and I am confident that we will come to an agreement to do that.

But why single out manufacturing? Why not offer a tax cut to all businesses equally? The answer is clear. We have seen a dramatic decrease in our Nation's manufacturing base and a stimulus directed at this sector of our economy is long overdue.

Since January 2001 this Nation has lost 2.8 million manufacturing jobs. My home State of California, has lost more than 300,000 manufacturing jobs over that same period. That is a 16 percent decrease in California's manufacturing employment base in just 3 years.

It is time to stop the bleeding and this amendment will give manufacturers important tax relief so they may grow jobs here at home.

As has been pointed out by the National Association of Manufacturing: manufacturing accounts for nearly one fifth of the Nation's GDP; provides 15 million high paying jobs; supports another eight million jobs in other sectors; and is the seedbed of innovation in our economy, accounting for 62 percent of all research and development.

It is far and away our pacesetter in productivity gains, and accounts for the bulk of U.S. exports.

Manufacturing in the State of California contributed more than 26 percent to our State's domestic product—more than one quarter of my State's economic base.

But, the overhead costs of taxes, health and pension benefits, and rising energy prices add 22 percent to the price of U.S. production relative to our foreign competitors.

The erosion of high paying manufacturing jobs has continued unabated for years and we now see the phenomenon exacerbated by so many other factors, including outsourcing.

This amendment will help on both counts. It will reduce taxes on manufacturers and foster an environment for job growth in this important sector.

I urge my colleagues to support this amendment and bring an immediate pro-growth stimulus to an important part of our economy.

Mr. SMITH. Madam President, I rise today in strong support of the deductibility of private and government mortgage insurance premiums. Last year, my Finance Committee Colleague Senator LINCOLN and I introduced the Mortgage Insurance Fairness Act, S. 846. Today 19 of my Senate colleagues join me in supporting this proposal. We are introducing this important legislation as an amendment to the JOBS

Act, S. 1637. More than 12 million homeowners currently pay private or government mortgage insurance. This amendment will allow these homeowners an immediate tax savings and will allow an estimated 300,000 additional families per year to more easily qualify to buy a home. The vast majority of these new homeowners will be lower-income, minority and veteran households who need mortgage insurance the most.

The JOB Act is the perfect opportunity to allow hundreds of thousands of low-income Americans to qualify for homeownership. Mortgage insurance allows moderate income households to buy homes often with a down payment of as little as 3 percent. In 2001, mortgage insurance and guaranty programs covered 57 percent of mortgage purchase loans made to African-American and Hispanic borrowers as well as 54 percent of the mortgage purchase loans made to borrowers with incomes below the median. Unfortunately, unlike many other costs associated with homeownership, mortgage insurance premiums currently are not tax deductible. We want to permanently change this fact for taxpayers earning less than $100,000 per year.

If we are successful in adding this amendment, we will have seized a unique opportunity to help millions of families receive immediate tax relief and hundreds of thousands more realize the American dream of homeownership. With supporters like the American Federation of Teachers, Americans for Tax Reform, the Mortgage Bankers Association and the National Urban League, this amendment brings diverse groups together in the common cause of homeownership.

I am proud to sponsor this amendment and I urge my colleagues to join this bipartisan effort to make the American dream of homeownership come true.

Ms. CANTWELL. Madam President. I rise today to express my support for amendment No. 2647 that, just yesterday, passed the U.S. Senate unanimously. I also thank every one of my colleagues for their support for what I believe is one of the greatest mechanisms for job creation and industry innovation. The amendment, of course, extends the research and development tax credit for 2 years.

The research tax credit, I believe, has demonstrated that it is a powerful incentive for companies to increase research spending. The tax credit lowers the cost of doing research in the United States, so it encourages companies to continue to make investments in critical R&D. And the bottom-line benefit is that research and development creates new jobs in the United States—something that is so vital right now for our Nation and for my State.

The current R&D tax credit is set to expire on June 30, 2004. Many of my colleagues, here, know we play this annual game of saying the R&D tax credit is important, but then not renewing it on a permanent basis, thereby denying companies and organizations the certainty they need to make these investments. The major investments in nanotechnology and biotechnology, in software, and in the computer sciences take several years of investments. Without a planning horizon of at lest several years, companies just won't put the money into R&D.

I am fully aware of the budget situation we are confronting, as Senator HATCH described yesterday. But, as my friend from Utah, stated, ''[i]ronically . . . a permanent credit costs no more than one that is regularly extended.'' And while I am a cosponsor of this amendment with a short term, 2-year extension because I fundamentally believe that the R&D tax credit is so imperative, I must also say that permanency of the tax credit remains a high priority for me. It is only in the permanency of the R&D tax credit that businesses can truly create a strategic business plan. As it stands, companies have to take into account the fact that Congress could allow the credit to lapse for a few months. That causes companies to hedge their bets, spending a little less on R&D, and our economy suffers as a result. By contract, permanency helps planning; and the sooner we make this permanent, the sooner companies can begin to enlarge and expand their research and development units, and the sooner their innovations will strengthen economic growth.

Who has created jobs in the last decade? Who has stimulated our economy to move forward? It is a lot of companies that have invested in R&D. It is the Microsofts. It is the Amazons. It is the variety of biotechnology companies from my state and others making investments that have increased the productivity of their workforce, allowing them to hire new people as new products and services are delivered.

The research credit creates jobs. More than 90 percent of the costs eligible for the credit are salaries and wages paid to researchers. The only way for a company to increase its credit is to increase its R&D payroll in the U.S.

First authorized in 1982, the credit has been reauthorized eight times, with a gap from June 1995 to June 1996. As I mentioned, the current credit expires in June 2004. However, its effectiveness is limited because businesses cannot rely on it in their long-term planning, and most R&D projects are long-term. In order to provide stability and broaden the reach of this proven incentive, Congress needs to make the credit permanent.

I cannot stress enough how important private investment in R&D is. R&D is the engine that brings us new medicines, new medical technologies, cleaner manufacturing technologies, advanced weapon systems and other tools in the war on terror. Furthermore, growth in our high tech economy depends on solid R&D, and there is no good reason to delay making the credit permanent. A permanent tax credit will go a long way to providing the planners and investors the certainty that they need.

This amendment, having passed unanimously, shows the Senate's strong support for R&D. We have taken this one step forward; but let us not force these companies that serve as the engine for job creation to come back year after year for an extension of the R&D credit. Toward that end, I ask that we take this amendment one step further and make the research and development tax credit permanent.

Mr. ALEXANDER. Madam President, today I voted against the Dodd amendment for two important reasons. First, it is the wrong policy for growing jobs. And second, it tramples on the principle of federalism.

Nearly 150,000 Tennesseans are employed by foreign companies conducting business in Tennessee. As Governor, I helped attract some of those jobs and companies to our State—companies such as Nissan, Sharp, Bridgestone, Panasonic, and many others. The Dodd amendment could have denied them the ability to compete for government contracts. That's not right. If the Dodd amendment becomes law, it will discourage these foreign companies from investing in our country. In these times when we are trying so hard to grow new, high-paying jobs, the Dodd amendment is exactly the wrong policy.

Further, the Dodd amendment ignores the principle of federalism by limiting the States' options on granting contracts using Federal funds. The whole point in sending money to the States is that they know better than the Federal Government how to spend it to meet the needs of their citizens. As a former Governor, I know how frustrating it is to have the Federal Government tell you how you can or can't spend your money. Neither Tennessee nor any other State should have new burdens placed on how it spends federally granted funds.

Mr. SANTORUM. Madam President, I will offer an amendment to extend for 2 years the work opportunity and welfare to work tax credits, and to make certain improvements to these programs that will make them even more effective in helping Americans' transition from welfare to work along with other tax extenders. These credits clearly belong in a bill whose name is JOBS; I can think of few programs that have created jobs and provided basic workplace skills to a segment of the population that is badly in need of these resources with the efficiency and low cost of WOTC and W-t-W. I can also think of few jobs programs that have as positive an impact as these have on scarce state welfare resources. I am also pleased that Senator BAYH is joining me as a cosponsor of this bipartisan amendment. I would also like to thank Chairman GRASSLEY and Senator BAUCUS for their support of this important initiative.

WOTC and W-t-W are also key elements of welfare reform. Employers in the retail, health care, hotel, financial services, and food industries have incorporated this program into their hiring practices and through these programs, more than 2,700,000 previously dependent persons have found work.

A recent report issued by the New York State Department of Labor bears this out in economic terms. Comparing the cost of WOTC credits taken by New York State employers during the period 1996–2003, for a total of $192.59 million, with savings achieved through closed welfare cases and reductions in vocational rehabilitation programs and jail spending, for a total of $199.89 million, the State of New York concluded that WOTC provided net benefits to the taxpayers even without taking into account the additional economic benefits resulting from the addition of new wage to the GDP or reductions in other social spending such as Medicaid.

In that regard, the New York State analysis concluded that the roughly $90 million in wages paid to WOTC workers since 1996 generated roughly $225 million in increased economic activity. Perhaps even more importantly, the study found that roughly 58 percent of the TANF recipients who entered private sector employment with the assistance of WOTC stayed off welfare.

I mentioned the New York State study because it is the first of its kind; however, I am certain that similar conclusions would be reached in the Commonwealth of Pennsylvania or any of the other 48 states and the District of Columbia. These programs work and do so at a net savings to taxpayers. In fact, over a 7-year period there were more than 110,000 certifications for both WOTC and W-t-W in Pennsylvania alone enabling many to leave welfare and find private sector work. The legislation is supported by hundreds of employers throughout Pennsylvania and around the country.

WOTC and W-t-W have received high praise as well from the Federal Government. A 2001 GAO study concluded that employers have significantly changed their hiring practice because of WOTC by providing job mentors, longer training periods, and significant recruiting outreach efforts.

Mr. President, WOTC and W-t-W are not traditional government jobs programs. Instead, they are precisely the type of program that we should champion in a time when we need to be fiscally responsible. These are efficient and low cost public-private partnerships that have as their goal to provide a means by which individuals can transition from welfare to a lifetime of work and dignity.

Under present law, WOTC provides a 40 percent tax credit on the first $6,000 of wages for those working at least 400 hours, or a partial credit of 25 percent for those working 120–399 hours. W-t-W provides a 35 percent tax credit on the first $10,000 of wages for those working 400 hours in the first year. In the second year, the W-t-W credit is 50 percent of the first $10,000 of wages earned. WOTC and W-t-W are key elements of welfare reform. A growing number of employers use these programs in the retail, health care, hotel, financial services, food, and other industries. These programs have helped over 2,200,000 previously dependent persons to find jobs.

Eligibility for WOTC is currently limited to: (1) recipients of Temporary Assistance to Needy Families, TANF, in 9 of the 18 months ending on the hiring date; (2) individuals receiving Supplemental Security Income (SSI) benefits; (3) disabled individuals with vocational rehabilitation referrals; (4) veterans on food stamps; (5) individuals aged 18–24 in households receiving food stamp benefits; (6) qualified summer youth employees; (7) low-income ex-felons; and (8) individuals ages 18–24 living in empowerment zones or renewal communities. Eligibility for W-t-W is limited to individuals receiving welfare benefits for 18 consecutive months ending on the hiring date. More than 80 percent of WOTC and W-t-W hires were previously depending on public assistance programs. These credits are both a hiring incentive, offsetting some of the higher costs of recruiting, hiring, and retaining public assistance recipients and other low-skilled individuals, and retention incentive, providing a higher reward for those who stay longer on the job.

Program Renewal and Improvement. Despite the considerable success of WOTC and W-t-W many vulnerable individuals still need a boost in finding employment. This is particularly true during periods of high unemployment. There are several legislative changes that would strengthen these programs, expand employment opportunities for needy individuals, and make the programs more attractive to employers. These changes are reflected in legislation which I introduced along with Senator BAUCUS, S. 1180, and these changes are as follows: one combine WOTC and W-t-W. The administration's budget proposes to simplify these important employment incentives by combining them into one credit and making the rules for computing the combined credits simpler. The credits would be combined by creating a new welfare-to-work target group under WOTC. The minimum employment periods and credit rates for the first year of employment under the present work opportunity tax credit would apply to W-t-W employees. The maximum amount of eligible wages would continue to be $10,000 for W-t-W employees and $6,000 for other target groups $3,000 for summer youth. I addition, the second year 50-percent credit under W-t-W would continue to be available for W-t-W employees under the modified WOTC; two, eliminate requirement to determine family income for ex-felons. Under current law, only those ex-felons whose annual family income is 70 percent or less than the Bureau of Labor Statistics lower living standard during the six months preceding the hiring date are eligible for WOTC. The administration's budget also proposes to eliminate the family income attribution rule; three, raise the WOTC age eligibility ceiling from 24 to 39 years of age for members of food stamp households and ''high-risk youth'' living in enterprise zones for renewal communities. Current WOTC eligibility rules heavily favor the hiring of women because single mothers are much more likely to be on welfare or food stamps. Women constitute about 80 percent of those hired under the WOTC program, but men from welfare households face the same or even greater barriers to finding work. Increasing the age ceiling in the ''food stamp category'' would greatly improve the job prospects for many absentee fathers and other ''at risk'' males. This change would be completely consistent with program objectives because many food stamp households include adults who are not working, and more than 90 percent of those on food stamps live below the poverty line.

I am very pleased that President Bush proposed a 2-year extension for these programs in his budget, as well as some useful modifications and improvements. The administration along with all of us in Congress are eager to continue our efforts to create jobs in America. The amendment would provide for a 1-year extension of current law to facilitate a transition period and then in the second year implement these important changes. I would prefer a permanent extension which would provide these important programs with greater stability, thereby encouraging more employers to participate, make investments in expanding outreach to identify potential workers from the targeted groups, and avoid the wasteful disruption of termination and renewal. A permanent extension would also encourage the state job services to invest the resources needed to make the certification process more efficient and employer-friendly. Yet the cost is a significant consideration in the current budget environment even though this is an excellent use of tax incentives which ultimately saves government resources while expanding opportunity for Americans.

Finally, I would urge the Senate to act quickly on this amendment and on the underlying vehicle. WOTC and W-t-W expired at the end of last year, and even though the extension we propose is retroactive, these programs will not be fully effective until they become law. The individuals who enter the workforce under these programs, and our states, that benefit greatly from the reduction in welfare that these programs generate, deserve quick action by the Senate on this amendment. I urge all of my colleagues to support this amendment.

MORNING BUSINESS

Mr. THOMAS. Madam President, I ask unanimous consent that the Senate now proceed to 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.

EULOGY FOR DANIEL BOORSTIN

Mr. STEVENS. Madam President, I ask unanimous consent that the attached eulogy be printed in the RECORD today. Dr. James H. Billington, Librarian of Congress, delivered this eulogy on Tuesday, March 2, 2004 at the funeral of Daniel Boorstin, who served as Librarian of Congress from 1975 to 1987. It also appeared in Rollcall yesterday.

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

HON. JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS—EULOGY FOR LIBRARIAN OF CONGRESS EMERITUS DANIEL J. BOORSTIN, MARCH 2, 2004

Dan Boorstin was a great American: the inspirational head of two important national institutions; a key figure—along with his friends Dillon Ripley and Roger Stevens—in the cultural coming of age of our Nation's Capital; and a matchless chronicler of the uniqueness, the innovative spirit and the everyday practicality of our shared American experience.

He was an exuberant humanist who brought high literary style to a wide popular audience. He put things together when others were taking them apart. He kept history alive by telling it as his story at a time when many were dehumanizing it, first with ideological prejudice and then with methodological pomposity. He was an optimist but also a critic—providing us an early warning of the difference between real and pseudo events, between people who actually do things and manufactured celebrities who are simply well-known for being well-known.

He created in his two great trilogies an original American version of the tradition of sweeping, multivolume histories that flourished in England from Gibbon to Toynbee. His longtime friend and colleague Jaroslav Pelikan told me yesterday that Dan had given him crucial early advice and encouragement as Jary was embarking on his own monumental multivolume history.

It was fun to be with Dan in person and through his writings. He mixed erudition with epigrammatic wit and colorful vignettes. He could be contentious and even temperamental, but almost always in defense of someone or some institution to which he was loyal at a time when it was being unfairly maligned.

As Librarian of Congress he exemplified as well as encouraged the highest scholarly standards. At the same time, he threw open the big bronze doors to let in the widest possible readership. From the time of my own arrival in Washington to run the Wilson Center until the time I was chosen to succeed him at the Library, he was a very special example, helpmate and friend.

Plato said that immortality lies in one's children and one's books. Dan and his incomparable wife and effervescent editorial collaborator, Ruth, have opened both of those pathways to an undying legacy. His outstanding children have spoken today; and a great extended family of readers yet unborn will be benefitting from his books in the years to come.

He was a man of the book, a gift to America from the people of the book. His bibliography itself fills a book. He founded and was a benefactor to the Center for the Book within the world's greatest collection of books at the Library of Congress; and it now has—thanks to John Cole, whom he appointed to head it—affiliated Centers for the Book in all 50 states and the District of Columbia. Dan was concerned not just about illiteracy but also about alliteracy—a term he coined to describe those people who can read but have lost the will to do so. And he launched the plan and gained the congressional support to restore the Thomas Jefferson Building to its true glory as America's temple of the book.

When he was sworn in in November 1975 as the 12th Librarian of Congress in the Great Hall of that magnificent building, he spoke these prophetic words: ''The computer can help us find what we know is there. But the book remains our symbol and our resource for the unimagined question and the unwelcome answer.''

In his last years he crafted a second trilogy of books largely out of what he was fond of calling the ''multimedia encyclopedia'' that was and is the Library of Congress. He ended up in his personal note to readers in the last volume, The Seekers, asking a question that lay beyond all the unwelcome answers. Has Western man, he asked, emptied meaning from life by moving from seeking purposes to seeking causes—from deeply wondering why to simply asking how? Books and family gave meaning and purpose to the rich life of this man—as they do to the American culture that he loved and ennobled.

Marjorie and I—like so many of his fond admirers—will miss him and the infectious enthusiasm for learning that he miraculously sustained for nearly nine decades. We will always be grateful for the friendship and support that he and Ruth so generously and warmly extended to us and to the amazing institution in which we have been privileged to succeed him.

HONORING OUR ARMED FORCES

ADAM MOONEY AND PATRICK DORFF

Mrs. LINCOLN. Madam President, today I rise to pay tribute and to honor a young man who was recently killed in action in Iraq—1LT Adam G. Mooney, a soldier in the U.S. Army who was killed during a search and rescue mission on January 25. First Lieutenant Mooney was 28 years old.

Adam Mooney was a native of Cambridge, MD, assigned to the 3rd Squadron, 17th Cavalry, 10th Mountain Division of the U.S. Army, stationed at Fort Drum, NY. After graduating from high school in Dorchester County, MD, in 1993, Adam attended the University of Maryland Eastern Shore. He left college to enlist in the Army, but returned to the university soon after to complete his degree in aviation management science. Adam was a lifelong enthusiast of aviation and flying—in fact, he earned his pilot's license at about the same time he earned his driver's license. In the Army, Adam was able to further pursue the challenges of aviation while flying the OH–58 Kiowa Warrior helicopter. His unit was deployed to Iraq late last year, where Adam flew helicopter missions to provide support, security, and intelligence to ground troops.

On January 25, 1LT Adam Mooney was flying a rescue mission near Mosul, Iraq, in search of soldiers whose boat had capsized on the Tigris River. According to witnesses, Mooney's helicopter hit a power line and plummeted into the river. The bodies of both Mooney and his co-pilot, CWO Patrick Dorff, were missing in the aftermath of the crash—Dorff's body was found 4 days later, and Mooney's 3 weeks later. We extend our deepest sympathies to their families, who certainly suffered under great strain and emotional stress while they awaited news of their loved ones' welfare.

Adam Mooney's wife, Katie, lives with her parents in Conway, AR, where she moved to work on her nursing degree while her husband was serving overseas. Our deepest condolences and prayers go out to her, as well as to Adam's parents, friends, and loved ones, in this time of great loss for their family. Adam was a courageous young man, lost to us far too soon, but we remain confident that his sacrifice was in a noble and honorable cause.

Thank you, Madam President.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Madam 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.

A terrible crime occurred in Upland, CA, in December 1999. There, a man died after being hit in the head with a pool cue by an attacker who accused him of being gay.

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.

HAITI

Mr. LEAHY. Madam President, over the past week, we have all watched the images of killings, chaos, and looting in Haiti. I am sad for the Haitian people. Once again, their leaders and the international community have failed them, and the poorest and the most vulnerable are enduring the greatest suffering.

I am also deeply disappointed with the Bush administration. Over the past several years, this administration ignored the simmering problems in Haiti and hoped they would somehow resolve themselves. That approach obviously backfired. Things have spiraled out of control. We now have a full-blown crisis on our hands, accusations that the administration helped to engineer a

coup of President Aristide, and the deployment of thousands of U.S. Marines into a difficult situation. Bringing change to Haiti will now be a far more dangerous and costly undertaking. Moreover, the U.N. or some other impartial organization will have to conduct an investigation to answer nagging questions about Aristide's departure.

I recognize that many administration officials did not support President Aristide. I can understand that view, as I also lost confidence in him. There is no question that serious allegations of corruption and abuse surround President Aristide and his associates and that these issues should have been dealt with. President Aristide and other Haitian leaders should be held accountable for their actions. Having said that, we should not forget the courage that President Aristide displayed when he first spoke out against the excesses of the brutal and corrupt dictatorship of Jean-Claude Duvalier.

But this administration did not want to make the effort to help clean up the Haitian Government, build a reform-minded opposition, and restructure the economy.

Instead, the Bush administration simply disengaged. During his first year in office, President Bush reduced aid to Haiti by about 25 percent. Concerned with the growing problems in Haiti, Senator DODD and I sent a letter to USAID Administrator Andrew Natsios in February 2002, urging an overhaul of our foreign aid program to Haiti. The response to our letter was essentially: ''Thanks for writing. We have a limited budget, but we will remain 'flexible' in our approach.'' The results of this flexible approach speak for themselves.

To be fair, USAID was under heady pressure to absorb activities that the State Department should have funded. USAID does not deserve the blame for an administration-wide policy failure.

During the last month, United States policy toward Haiti crystallized around the goal of getting rid of President Aristide. For all the administration's tough talk aimed at President Aristide, this White House has embraced corrupt leaders with far less democratic credentials than President Aristide when it has suited its purpose. This episode is yet another reminder of how the contradictory policies and rhetoric of this administration are damaging U.S. credibility around the world.

In some respects, President Aristide's departure begins a new chapter for Haiti. In other ways, it is not clear just how new it is. For the third time in 20 years, a Haitian leader has been forced into exile, and at least for the third time in 90 years, the U.S. military has intervened in Haiti.

What is to show for years of interventions and hundreds of millions of dollars in U.S. assistance? Haiti remains one of the poorest and most corrupt countries on Earth, facing a myriad of complex problems. Removing President Aristide will not solve these entrenched problems, but it may provide a way forward.

The United States has compelling reasons to help. Haiti is just a few hundred miles away from our shores, and the social turmoil there could easily spread to the Dominican Republic, the Bahamas, and elsewhere in our neighborhood. The United States has a long relationship with Haiti and many Haitian Americans live in the United States. Perhaps most importantly, we have a moral responsibility to help a nation where so many have been suffering for so long.

The United States, France, and others must work with the United Nations, the Organization of American States to help fill the power vacuum in Port-au-Prince. The international community must also come up with a substantial aid package to help the Haitian people get back on their feet.

This will be a long, slow process. If we are to succeed in meeting the challenge of recovery and rebuilding in Haiti, the United States and the international community must stay engaged. Most of all, the Haitians themselves must take responsibility, especially the religious and political leaders. But we must take care not to overlook a key group that must be involved in this process—middle-class Haitians who have left the country over the past few decades.

As Garry Pierre-Pierre, editor in chief of the Haitian Times, points out in Monday's Wall Street Journal, involving Haiti's middle class is essential. He writes:

> The international community has to bring the country's middle class not merely to the table, but back to Haiti. This middle class has been fleeing Haiti for the U.S., where it has consolidated itself, for the last 30 years. We should look to that group, the Haitian diaspora, educated at the best schools in the U.S. and Canada, to help lead the country out of its perpetual cycle of violence and misery.

I agree with Mr. Pierre-Pierre, and believe that the administration should heed his advice.

We have missed one opportunity after another in Haiti. It is time for us to make the most of this unfortunate situation.

I ask unanimous consent to print the above-referenced letters in the RECORD.

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

U.S. SENATE,
Washington, DC, February 15, 2002.

Hon. ANDREW NATSIOS,
Administrator, U.S. Agency for International Development, Washington, DC.

DEAR MR. NATSIOS: We are deeply concerned with the deteriorating humanitarian situation in Haiti. The political impasse between the Haitian Government and the political opposition has only made a serious situation more dire. As a matter of U.S. policy Haiti is being denied access to monies from the multilateral development banks until the government and opposition resolve their differences. For that reason, the humanitarian needs of Haiti must be met solely from bilateral donations through non-governmental organizations such as CARE, Catholic Relief Services and World Vision.

Violence, poverty, and disease are rampant throughout Haiti. Since the United States is opposing access for Haiti to multilateral monies to address these problems, we believe the U.S. has a moral obligation to ensure, to the maximum extent feasible, that U.S. bilateral humanitarian assistance allocations be maintained at adequate levels. However, that does not appear to be the case. As you know annual USAID/Haiti allocations have been cut in half since FY1999 to $50 million for the current fiscal year. Moreover, the Administration's FY 2003 request is only $45 million. At these levels we are very skeptical that USAID will be able to continue many critical programs, including school feeding programs, public health programs for Haitian children ages 0 to 5, and AIDS treatment and prevention programs.

We strongly urge you to review the overall FY 2003 USAID budget to determine whether additional funds can be found for USAID FY 2003 programs in Haiti. Moreover, we do not support efforts to obligate FY 2002 Haiti monies for purposes other than humanitarian assistance programs.

Thank you for your attention to our concerns. We look forward to working with you in addressing the humanitarian needs of Haiti's seven million people.

Sincerely yours,

PATRICK J. LEAHY,
CHRISTOPHER J. DODD,
U.S. Senators.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, DC, April 2, 2002.

Hon. PATRICK J. LEAHY,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEAHY: Mr. Natsios has asked me to respond to your letter of February 15, 2002, concerning the current situation in Haiti and declining U.S. assistance levels. We regret the delay in responding.

We share your concern about deteriorating conditions in Haiti, and are doing our best to help ease the situation within the constraints of current budget realities. Since September 11, 2001, worldwide pressures on overall resources limit our ability to maintain prior year levels for Haiti. We have made up most of the difference using Development Assistance and the Child Survival and Health Programs fund; however, these accounts are heavily subscribed.

Our programs will continue to have a meaningful impact in Haiti through the provision of primarily humanitarian assistance. Approximately 80 percent of the FY 2002 budget and FY 2003 request will go toward health, food aid, and education activities. These programs will still provide health and family planning services to approximately 2.7 million Haitians—mostly women and children—including HIV/AIDS prevention. They will also target food resources in Haiti to children under five and pregnant/lactating women, and will continue to make marked improvements in math and reading achievement test scores for 150,000 Haitian children.

In closing, we are watching the situation very closely and remain flexible on funding options for FY 2002. We welcome a continuing dialogue with Congress on appropriate assistance levels for Haiti as events unfold.

Thank you for bringing this matter to our attention. Please let us know when this office can be of further assistance.

Sincerely,

J. EDWARD FOX,
Assistant Administrator,
Bureau for Legislative and Public Affairs.

ARKANSAS BLACK ON BLACK CRIME COALITION

Mrs. LINCOLN. Madam President, I rise today to pay tribute to a group of Arkansas who are demonstrating true leadership and commitment in facing down one of the gravest problems facing African-American communities today—black on black crime.

Many people are unaware of the extent of black on black crime. Consider: African-Americans constitute 12 percent of the U.S. population. But in 2002, 45 percent of all murder victims nationwide were black. Of those murders, fully 91 percent were incidents of black on black crime. For young black men, homicide is the leading cause of death; for young black women, the second leading cause of death.

It's clear that we need to address this epidemic. The good news is that, in Arkansas, we're trying to do just that. Last year, a group of community leaders, business leaders, government officials, and religious leaders banded together to form the ''Black On Black Crime Coalition,'' dedicated to raising public awareness of this important issue and developing solutions to mitigate this epidemic of crime and violence that is destroying lives, families, and communities every day. The coalition is just over one year old, and I'm proud to say that they are making great progress in developing new solutions, programs and plans to reduce the incidence of violent crime in the black community. These range from community workshops to neighborhood associations, from youth programs to public awareness campaigns.

The coalition is working with government leaders and law enforcement officials to develop fresh, innovative solutions to the problem of black on black crime. I've worked with the coalition as a partner, and I've been impressed with the energy, seriousness, and dedication that members of the coalition display. Given the commitment I've seen so far, I'm confident that we will see outstanding results from this vital organization. Even if we can't completely eliminate black on black crime, we can significantly reduce their frequency. That will be good news for all of our communities.

We recently observed ''Black On Black Crime Prevention Month'' to mark the coalition's founding in Arkansas and to continue raising public awareness about this epidemic of violent crime. I thank them for their commitment, and I ask that my colleagues join me in recognizing their leadership. It's been a great year, and I look forward to working with the Black On Black Crime Coalition for many years to come.

NATIONAL PEACE CORPS WEEK—MARCH 1–7, 2004

Mr. COLEMAN. Madam President, this week is National Peace Corps Week. It is with great pleasure that I send my congratulations to the Peace Corps volunteers serving throughout the world as we celebrate the Peace Corps' 43 years of service.

Forty-three years ago, President John F. Kennedy mobilized a generation to work in emerging nations around the world in education, community development, agriculture, health care, and public works.

Since 1961, over 170,000 Americans have volunteered their expertise, time, and energy to foster development and progress in 136 countries. There is no greater symbol of America's generosity than American volunteers living and working in partnership with the people of developing nations to encourage education and opportunity.

Currently, over 7,500 volunteers are serving in 71 countries around the world—the highest number of volunteers in the field in 28 years—and applications have risen by 10 percent. Last year, Peace Corps entered or re-entered Albania, Azerbaijan, Chad, and Fiji, and many other countries have expressed interest in establishing a partnership with Peace Corps. I strongly support Peace Corps entry into Mexico for the first time.

It is my deepest hope that we continue to recognize and support the Peace Corps' important work. By honoring the Peace Corps, we reaffirm our Nation's commitment to strengthen freedom and create opportunities around the world.

President Bush has announced a goal of doubling the number of Peace Corps volunteers over 5 years. I support this effort and the President's budget request for the Peace Corps. As chairman of the Subcommittee on Western Hemisphere, Peace Corps, and Narcotics Affairs, it is my objective to help the Peace Corps become not only bigger, but also better and safer. The well-being of the volunteer must remain the top priority of the Corps. I believe the Peace Corps must have the resources it needs to ensure volunteer safety. I also believe the Peace Corps should continue efforts to diversify its volunteers. We need to bring into the Corps more older volunteers, and more minorities. Only then can be the Peace Corps truly represent the face of America's melting pot.

The Peace Corps is part of Minnesota's heritage—over 5,000 Minnesotans have served as volunteers. And while the Peace Corps has been rightly associated with John F. Kennedy, it was Minnesota Senator Hubert Humphrey who proposed the idea in the 1950s.

I am very happy to join with Peace Corps volunteers, past and present, to celebrate National Peace Corps Week—March 1–7, 2004.

TRIBUTE TO CAPTAIN HENRY ''HANK'' W. PUTEK, SR., USNR

Mr. WARNER. Madam President, today at Arlington National Cemetery we laid to rest a great patriot to whom I am proud to pay tribute. Captain Henry ''Hank'' W. Putek, Sr., USN, was a naval aviator whose lifelong love of flying led to a 27 year Navy career that spanned the cold war and included service in Korea and Vietnam. It is my solemn honor today to recall his selfless commitment to this great Nation.

A pilot from the age of 14, Captain Putek obtained a commission in the U.S. Navy in 1953 through the Naval Aviation Cadet program. His distinguished career in naval aviation began with flight training in Pensacola, FL where he earned the coveted ''wings of gold'' of a naval aviator. He went on to fly combat jets in Korea and Vietnam, including the F–9 Fury, Douglas Skyraider, and F–4 Phantom. He served in numerous aircraft carriers with such storied names as *Lexington, Wasp, Yorktown, Hornet,* and *Saratoga*. In the race for space, Captain Putek was a project engineer for various research and development efforts and piloted tracking aircraft during the Gemini program. Captain Putek was a Navy test pilot who accumulated an astonishing 7,600 hours in 22 types of military aircraft throughout his career.

In 1977, Captain Putek retired from the United States Navy but continued to pursue his love for aviation as a training director with Piper Aircraft Corporation. He qualified in 22 Piper models and types. He was well known in his hometown as the owner of a bright orange ''Davis'' single engine aircraft, his pride and joy, which he built by hand.

Captain Putek is survived by his wife of 47 years, Mary Louis Putek, his sons, Hank and Jon, his daughters, Gwen and Janet, his sister, Dolores, and his brother, James. He was a loving husband and father, a passionate aviator, and a true gentleman.

ADDITIONAL STATEMENTS

MARCH ON FRANKFORT, KY

• Mr. BUNNING. Madam President I would like to take the opportunity to recognize Rev. Thurmond Coleman and 200 others who participated in the commemorative 1964 march to the Kentucky State Capital in Frankfort, KY.

Forty years ago, Reverend Coleman drove from Louisville to Frankfort with his five children to join the 1964 civil rights march of 10,000 people led by Dr. Martin Luther King, Jr. and the great baseball star, Jackie Robinson. That march helped push Kentucky to become the first southern State to pass civil rights legislation.

The march and ceremony marked those early efforts and celebrated how far Kentucky has come in the last 40 years. Coleman was among those present yesterday who participated in the commemorative 1964 march and recalled the advances that were made in ensuing years. He is also a member of the Kentucky Commission on Human Rights, and has been an advocate for Kentucky's civil rights for many years.

I commend the efforts of Reverend Coleman and the other Kentuckians who coordinated the march on Frankfort, and hope that Kentucky continues to strive for equal rights for all of its citizens.●

RECOGNITION OF MORIAH KATHERINE NACHBAUR

● Mrs. BOXER. Madam President, I bring to the Senate's attention an exception and talented student, Moriah Katherine Nachbaur, 17, of Crystal Springs Uplands School in Redwood City, CA. Moriah is the daughter of Dr. Thomas and Susan Nachbaur.

Moriah Nachbaur was recently named a California finalist in the 2004 Intel Science Talent Search for her botany project. The Intel Science Board Talent Search recognizes and rewards America's brightest young minds for their achievements in science and math. Over 1,600 students applied nationwide for the 2004 Intel Science Talent Search, and the field has been narrowed to 40 finalists. A grand prize winner will be selected on March 16th in Washington, DC. I am proud that my State of California has three finalists.

At Crystal Springs Uplands School, Moriah plays varsity badminton. She is a classical pianist and an award winning photographer and poet. Moriah is an outstanding student who was earned many science honors.

California is proud of Moriah Nachbaur and I am pleased to recognize her outstanding accomplishment. I wish her the best of luck at the final awards event and continued success in her education.●

HONORING SANDY ASHWORTH AND THE BOUNDARY COUNTY LIBRARY

● Mr. CRAPO. Madam President, I rise today to honor Sandy Ashworth who was recently nominated by President Bush to serve on the National Commission on Libraries and Information Science, NCLIS, and confirmed by the Senate on January 26, 2004. In her capacity as a Commissioner, Sandy will provide advice to the President, Congress, and other policy makers on the library and information needs of the nation and the policies and plans necessary to meet those needs. Sandy's skills and experience will serve her well as she helps to shape the policy of the nation in this important area.

As 1 of only 12 appointees, Sandy's confirmation to the Commission is quite an honor. I know from first-hand experience that this recognition is well deserved. Sandy runs the Boundary County Library in Bonners Ferry, a facility I was pleased to visit recently. Each of the four full time and six part-time staff members are bringing neighbors and families together, promoting literacy, and providing educational and cultural resources to many who might not have them otherwise. Sandy has created a model library that provides an impressive range of services to several rural communities. Her excellence is well-known, and recognition of her work has preceded this nomination. In 2002, First Lady Laura Bush presented the library with one of the prestigious Institute of Museum and Library Services' National Awards for Museum and Library Service. In 2003, Sandy was also named one of ''Idaho's Brightest Stars,'' an award given to those who make a difference in the lives of children and families.

Truly, Sandy is one who has made a difference. She has worked diligently and with great effect for the citizens of Boundary County. I am certain she will bring the same energy to her new post and continue to have a positive impact as she represents Idaho in the NCLIS. Today, I join with her coworkers, family, and friends in honoring her contributions to the State of Idaho.●

RECOGNITION OF ARJUN ANAND SURI

● Mrs. Boxer. Madam President, today I bring to the Senate's attention an exceptional and talented student, Arjun Anand Suri, 17, of Clovis West High School in Fresno, CA. Arjun is the son of Doctors Madhav and Anuradha Suri.

Arjun Suri was recently named a California finalist in the 2004 Intel Science Talent Search for his biochemistry project. The Intel Science Talent search recognizes and rewards America's brightest young minds for their achievements in science and math. Over 1,600 students applied nationwide for the 2004 Intel Science Talent Search, and the filed has been narrowed to 40 finalists. A grand prize winner will be selected on March 16 in Washington, DC. I am proud that my State of California has three finalists.

At Clovis West High School, Arjun is on the varsity tennis team, is captain of the academic decathlon team, vice president of his class and president of the Indian-Pakistani Club. Arjun is an excellent student who has earned perfect SAT scores and has many awards in science, math, history and writing. Arjun also finds time to volunteer in his community as an emergency room volunteer. I applaud his dedication to his studies and to his community.

California is proud of Arjun Suri, and I am pleased to recognize his outstanding accomplishment. I wish him the best of luck at the final awards event and continued success in his education.●

RECOGNIZING THE WORK OF DR. LANDRUM R. BOLLING

● Mr. LUGAR. Madam President, I rise today to share with my colleagues a few highlights from the remarkable lifetime of leadership and humanitarianism displayed by Dr. Landrum Bolling, former president of Earlham College.

From 1958 to 1973, Dr. Bolling led both the students and the faculty of Earlham College in numerous interdisciplinary programs grounded in peace, justice, equality, simplicity, and consensus decisionmaking. His vast personal experience with foreign cultures and religions facilitates his teaching of international studies and humanitarianism.

Currently, at the age of 90, Dr. Bolling serves as director-at-large of Mercy Corps, a not-for-profit organization that exists to alleviate suffering, poverty, and oppression by helping people build secure, productive, and just communities. Through his active involvement with Mercy Corps, he has once again joined forces with Earlham College to form the Landrum Bolling Fellowships in International Service program. The Landrum Bolling Fellowships provide qualified Earlham graduates with the opportunity to participate, on many levels, with Mercy Corps' tremendous humanitarian relief and development programs. It is certainly an opportunity for the students to apply, internationally, the concepts they have previously studied at Earlham College.

Dr. Bolling has dedicated his life to both academia and public service, and I am pleased to have this opportunity to congratulate him on his many worthwhile accomplishments.●

RECOGNITION OF PHILLIP THOMAS DEUTSCH

● Mrs. BOXER. Madam President, today I bring to the Senate's attention an exceptional and talented student, Phillip Thomas Deutsch, 17, of La Canada High School in La Canada, CA. Phillip is the son of Doctors Andrew Deutsch and Jeanne Wallace.

Phillip Deutsch was recently named a California finalist in the 2004 Intel Science Talent Search for his chemistry project. The Intel Science Talent Search recognizes and rewards America's brightest young minds for their achievements in science and math. Over 1,600 students applied nationwide for the 2004 Intel Science Talent Search, and the field has been narrowed to 40 finalists. A grant prize winner will be selected on March 16 in Washington, DC. I am proud that my state of California has three finalists.

At La Canada High School, Phillip is an outstanding student. He plays in the flute choir and the concert and marching bands. Phillip was also a semi-finalist for both the U.S. Chemistry and Physics Olympiad Teams in 2003.

Californians are proud of Phillip Deutsch, and I am pleased to recognize his outstanding accomplishment. I wish him the best of luck at the final awards event and continued success in his education.●

TEXT OF A PROPOSED PROTOCOL AMENDING THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—PM 70

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, consistent with sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)) (the ''Act''), the text of a proposed Protocol Amending the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy, signed at Washington on June 30, 1980. I also transmit my written approval, authorization, and determination concerning the Protocol, and an unclassified Nuclear Proliferation Assessment Statement (NPAS) concerning the Protocol. (Consistent with section 123 of the Act, as amended by title XII of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105–277), a classified Annex to the NPAS, prepared by the Secretary of State in consultation with the Director of Central Intelligence, summarizing relevant classified information, will be submitted to the Congress separately.) The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy and a letter from the Chairman of the Nuclear Regulatory Commission stating the views of the Commission are also enclosed.

I am advised that the proposed Protocol has been negotiated consistent with the Act and other applicable law and that it meets all statutory requirements. This Protocol will advance the nonproliferation and other foreign policy interests of the United States.

The Protocol amends the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy in two respects:

1. It extends the Agreement, which expired by its terms on December 30, 2001, until December 30, 2031, with effect from the former date; and

2. It updates certain provisions of the Agreement relating to the physical protection of nuclear material subject to the Agreement.

As amended by the proposed Protocol, the Agreement will continue to meet all requirements of U.S. law.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and has an agreement with the IAEA for the application of full-scope safeguards to its nuclear program. It was also among the early sponsors of, and is a current party to, the Southeast Asia Nuclear Weapons Free Zone. The United States and Indonesia have had a long and positive history of cooperation in the peaceful uses of nuclear energy, with our earliest agreement for this purpose dating back to 1960.

I have considered the views and recommendations of the interested agencies in reviewing the proposed Protocol and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the Protocol and authorized its execution and urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. My Administration is prepared to begin immediately the consultations with the Senate Foreign Relations Committee and House International Relations Committee consistent with section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 4, 2004.*

MESSAGE FROM THE HOUSE

At 11:01 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, in which it requests the concurrence of the Senate:

H.R. 912. An act to authorize the Administrator of the National Aeronautics and Space Administration to establish an awards program in honor of Charles ''Pete'' Conrad, astronaut and space scientist, for recognizing the discoveries made by amateur astronomers of asteroids with near-Earth orbit trajectories.

H.R. 1417. An act to amend title 17, United States Code, to replace copyright arbitration royalty panels with a Copyright Royalty Judge, and for other purposes.

H.R. 1561. An act to amend title 35, United States Code, with respect to patent fees, and for other purposes.

H.R. 3389. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations.

The message also announced that the House has passed the following bill, without amendment:

S. 2136. An act to extend the final report date and termination date of the National Commission on Terrorist Attacks Upon the United States, to provide additional funding for the Commission, and for other purposes.

ENROLLED BILL SIGNED

At 5:03 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 2136. An act to extend the final report date and termination date of the National Commission on Terrorist Attacks Upon the United States, to provide additional funding for the Commission, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 912. An act to authorize the Administrator of the National Aeronautics and Space Administration to establish an awards program in honor of Charles ''Pete'' Conrad, astronaut and space scientists, for recognizing the discoveries made by amateur astronomers of asteroids with near-Earth orbit trajectories; to the Committee on Commerce, Science, and Transportation.

H.R. 1417. To amend title 17, United States Code, to replace copyright arbitration royalty panels with Copyright Royalty Judges; to the Committee on the Judiciary.

H.R. 1561. An act to amend title 35, United States Code, with respect to patent fees, and for other purposes; to the Committee on the Judiciary.

H.R. 3389. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH for the Committee on the Judiciary.

Raymond W. Gruender, of Missouri, to be United States Circuit Judge for the Eighth Circuit.

Franklin S. Van Antwerpen, of Pennsylvania, to be United States Circuit Judge for the Third Circuit.

F. Dennis Saylor IV, of Massachusetts, to be United States District Judge for the District of Massachusetts.

Sandra L. Townes, of New York, to be United States District Judge for the Eastern District of New York.

Kenneth M. Karas, of New York, to be United States District Judge for the Southern District of New York.

Judith C. Herrera, of New Mexico, to be United States District Judge for the District of New Mexico.

Louis Guirola, Jr., of Mississippi, to be United States District Judge for the Southern District of Mississippi.

Virginia E. Hopkins, of Alabama, to be United States District Judge for the Northern District of Alabama.

Ricardo S. Martinez, of Washington, to be United States District Judge for the Western District of Washington.

Neil Vincent Wake, of Arizona, to be United States District Judge for the District of Arizona.

Gene E. K. Pratter, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

William S. Duffey, Jr., of Georgia, to be United States District Judge for the Northern District of Georgia.

Michele M. Leonhart, of California, to be Deputy Administrator of Drug Enforcement.

Domingo S. Herraiz, of Ohio, to be Director of the Bureau of Justice Assistance.

LaFayette Collins, of Texas, to be United States Marshal for the Western District of Texas for the term of four years.

Ronald J. Tenpas, of Illinois, to be United States Attorney for the Southern District of Illinois for a term of four years.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DURBIN (for himself, Mrs. LINCOLN, Mr. CARPER, and Mr. PRYOR):

S. 2163. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individuals who are not Federal employees, and for other purposes; to the Committee on Finance.

By Mr. REID:

S. 2164. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize local educational agencies in rural areas to obtain a limited waiver of certain requirements relating to the employment of highly qualified teachers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. REED (for himself, Mr. HAGEL, Mr. MCCAIN, Mr. AKAKA, Mr. NELSON of Florida, and Mrs. CLINTON):

S. 2165. A bill to specify the end strength for active duty personnel of the Army as of September 30, 2005; to the Committee on Armed Services.

By Mrs. BOXER (for herself, Ms. SNOWE, Mrs. MURRAY, Ms. COLLINS, Mrs. CLINTON, Mrs. FEINSTEIN, and Ms. CANTWELL):

S. 2166. A bill to amend title 10, United States Code, to exempt abortions of pregnancies in cases of rape and incest from a limitation on use of Department of Defense funds; to the Committee on Armed Services.

By Ms. CANTWELL (for herself, Mr. SMITH, Mrs. MURRAY, and Mr. WYDEN):

S. 2167. A bill to establish the Lewis and Clark National Historical Park in the States of Washington and Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. REED (for himself, Mr. CORNYN, and Mr. LEAHY):

S. 2168. 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 Mr. GRAHAM of Florida (for himself and Mr. NELSON of Florida):

S. 2169. A bill to modify certain water resources projects for the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama; to the Committee on Environment and Public Works.

By Mrs. HUTCHISON:

S. 2170. A bill to establish the Weather Modification Operations and Research Board and outline its duties and responsibilities; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER:

S. 2171. A bill to establish a first responder and terrorism preparedness grant information hotline, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CAMPBELL (for himself, Mr. LEAHY, Mr. HATCH, and Mr. ALLARD):

S. Res. 310. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers; to the Committee on the Judiciary.

By Mr. BROWNBACK:

S. Res. 311. A resolution calling on the Government of the Socialist Republic of Vietnam to immediately and unconditionally release Father Thadeus Nguyen Van Ly, and for other purposes; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 161

At the request of Mr. HOLLINGS, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 161, a bill to amend the Communications Act of 1934 to require that violent video programming is limited to broadcast after the hours when children are reasonably likely to comprise a substantial portion of the audience, unless it is specifically rated on the basis of its violent content so that it is blockable by electronic means specifically on the basis of that content.

S. 473

At the request of Mr. FEINGOLD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 473, a bill to amend the Federal Water Pollution Control Act to clarify the jurisdiction of the United States over waters of the United States.

S. 480

At the request of Mr. HARKIN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 480, a bill to provide competitive grants for training court reporters and closed captioners to meet requirements for realtime writers under the Telecommunications Act of 1996, and for other purposes.

S. 683

At the request of Mr. FEINGOLD, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 683, a bill to amend the Family and Medical Leave Act of 1993 to provide entitlement to leave to eligible employees whose spouse, son, daughter, or parent is a member of the Armed Forces serving on active duty in support of a contingency operation or notified of an impending call or order to active duty in support of a contingency operation.

S. 784

At the request of Mr. MCCAIN, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 784, a bill to revise the boundary of the Petrified Forest National Park in the State of Arizona, and for other purposes.

S. 874

At the request of Mr. TALENT, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 874, a bill to amend title XIX of the Social Security Act to include primary and secondary preventative medical strategies for children and adults with Sickle Cell Disease as medical assistance under the medicaid program, and for other purposes.

S. 1180

At the request of Mr. SANTORUM, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1180, a bill to amend the Internal Revenue Code of 1986 to modify the work opportunity credit and the welfare-to-work credit.

S. 1452

At the request of Mr. DODD, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 1452, a bill to amend the Immigration and Nationality Act with respect to the H–1B and L–1 visa programs to prevent unintended United States job losses, to increase the monitoring and enforcement authority of the Secretary of Labor over such programs, and for other purposes.

S. 1630

At the request of Mrs. DOLE, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 1630, a bill to facilitate nationwide availability of 2–1–1 telephone service for information and referral services, and for other purposes.

S. 1645

At the request of Mr. CRAIG, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H–2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1949

At the request of Mr. BIDEN, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 1949, a bill to establish The Return of Talent Program to allow aliens who are legally present in the United States to return temporarily to the country of citizenship of the alien if that country is engaged in post-conflict reconstruction, and for other purposes.

S. 2088

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 2088, a bill to restore, reaffirm, and reconcile legal rights and remedies under civil rights statutes.

S. 2099

At the request of Mr. MILLER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2099, a bill to amend title 38,

United States Code, to provide entitlement to educational assistance under the Montgomery GI Bill for members of the Selected Reserve who aggregate more than 2 years of active duty service in any five year period, and for other purposes.

S. 2100

At the request of Mr. MILLER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2100, a bill to amend title 10, United States Code, to increase the amounts of educational assistance for members of the Selected Reserve, and for other purposes.

S. 2157

At the request of Mr. BAUCUS, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 2157, a bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes.

S. 2158

At the request of Ms. COLLINS, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S.J. RES. 28

At the request of Mr. CAMPBELL, the names of the Senator from Rhode Island (Mr. CHAFEE), the Senator from Minnesota (Mr. COLEMAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from New Hampshire (Mr. GREGG) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 8

At the request of Ms. COLLINS, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. Con. Res. 8, a concurrent resolution designating the second week in May each year as ''National Visiting Nurse Association Week''.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Oregon (Mr. WYDEN), the Senator from New York (Mr. SCHUMER), the Senator from New York (Mrs. CLINTON) and the Senator from New Hampshire (Mr. GREGG) 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. 299

At the request of Mr. CAMPBELL, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. Res. 299, a resolution recognizing, and supporting efforts to enhance the public awareness of, the social problem of child abuse and neglect.

AMENDMENT NO. 2642

At the request of Mrs. LINCOLN, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. BREAUX) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of amendment No. 2642 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2643

At the request of Mrs. LINCOLN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of amendment No. 2643 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2663

At the request of Ms. CANTWELL, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of amendment No. 2663 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2671

At the request of Mr. SMITH, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Missouri (Mr. BOND) were added as cosponsors of amendment No. 2671 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mrs. LINCOLN, Mr. CARPER, and Mr. PRYOR):

S. 2163. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individuals who are not Federal employees, and for other purposes; to the Committee on Finance.

Mr. DURBIN. Mr. President, today I am introducing legislation along with my colleague, Senator BLANCHE LINCOLN, which will help small businesses struggling to make health insurance available to their employees.

Health insurance premiums have risen as much as six times the rate of inflation in the past decade. Last year they rose by 13.9 percent, the fourth consecutive year of double-digit increases. Some small businesses in Illinois are facing increases as high as 40 percent annually.

According to a survey conducted by Mercer Consulting, worker health care costs have overtaken taxes as the biggest concern among small business owners; and two-thirds of them are shopping for a new health plan every year in an effort to save money.

The Conference Board, an executive research firm, conducts an annual survey of 120 CEOs. One of the questions they ask is how big an obstacle health care costs are in hiring new workers. This year, 78 percent said it was an obstacle, 35 percent said it was a major obstacle.

Health care costs are hurting small businesses, workers and the economy; and fixing this problem should be a national priority.

There are two main problems for small businesses in obtaining affordable insurance. First, there aren't many insurers offering affordable products to small groups. Many small businesses only have access to one insurer in their area, which make it hard to comparison shop. The second problem is that because of their limited size, small business don't have the purchasing or negotiating power of a big company.

The Small Employers Health Benefits Program Act of 2004 (SEHBP) will address both of these problems while maintaining insurance solvency and benefit standards.

Our bill will create a program based on the successful Federal Employees Health Benefits Program or ''FEHBP,'' which offers Federal employees a range of private sector options at affordable prices. This new program would draw from FEHBP's strengths: plan choice, group purchasing savings, comprehensive benefits, low administrative costs and nationwide availability.

The Office of Personnel Management (OPM), which has forty years of experience running FEHBP, would set up a separate SEHBP national purchasing pool open to businesses with 100 employees or less. OPM would annually negotiate benefit packages with private health insurers interested in offering an insurance plan through the SEHBP program. OPM would send out summaries of health plans available to all participating and interested employers during an annual open enrollment season. Plan guides would include a description of each plan offered and

the associated costs, as well as results of a customer satisfaction survey of the plans.

Each employee would choose a plan right for them and enroll directly with the health insurer. To help defray costs for the employers and encourage them to offer insurance to low-income employees, employers would receive an annual refundable tax credit if they agree to pay at least 60 percent of the insurance premium. The tax credit would be equal to 25 percent of the employer contribution for self-only policies, 30 percent for policies covering married couples with no dependents, and 35 percent for family policies, for workers making up to $25,000 per year.

There would also be a refundable 10 percent bonus tax credit for those employers who enroll in the first year and an additional bonus to employers who cover more than 60 percent of the premium. The bonus would be equivalent to a 5 percent add-on per additional 10 percent of premium covered. So, if an employer covers 70 percent, the employer would receive an additional 5 percent tax credit. If they cover 80 percent of the premium, they would get an additional 10 percent tax credit.

All self-employed persons and employees in small businesses of 100 employees or less would be eligible to enroll in SEHBP health plans. OPM would have the authority to grant waivers to businesses with more than 100 employees.

One of the few differences from FEHBP is that SEHBP plans would be allowed to vary premiums by age, so that younger enrollees would be more likely to enroll. The more young healthy people join the program, the lower the premiums will be for everyone.

SEHBP health plans would not be allowed to impose any preexisting condition exclusions on new SEHBP enrollees who have at least one year of health insurance coverage immediately prior to enrollment in an SEHBP plan. However, to prevent people from waiting until they get sick to enroll, health plans would be allowed to exclude coverage for known preexisting conditions for up to one year for people without coverage immediately prior to enrollment, while covering costs associated with new conditions.

Mr. President, Secretary Tommy Thompson of the Department of Health and Human Services said yesterday that people without health insurance in this country get health care. I disagree. There are millions of Americans forgoing care because they don't have access to affordable health care. Additionally, small businesses are forgoing hiring because of the cost of offering health care to new employees. These problems can and should be solved and I believe this legislation could open the door for many Americans to obtain good health insurance coverage.

SEHBP would provide small employers a way to offer their workers an array of health insurance options at a group discounted rate. With a limited administrative effort and a refundable tax credit, employers would be able to participate in a health insurance program that offers greater affordability, access and choice without compromising benefit and solvency standards.

I yield the floor.

Mrs. LINCOLN. Madam President, I rise today with my colleague, Senator DURBIN, to introduce the Small Employer Health Benefits Program Act of 2004.

This legislation seeks to address an enormous problem facing small businesses in Arkansas and all across the country: accessibility and affordability of health insurance. I have talked with many small business owners in Arkansas who have been forced to drop or dramatically reduce health insurance for their employees even though they desperately want to offer it. Small employers say that offering health insurance has a positive impact on recruitment, retention, employee attitude, performance, health status, and the overall success of the business. What better way to get our economy going again than to help small businesses succeed?

Small businesses are the number one source for jobs in Arkansas. And the smaller the businesses, the less likely they will offer health insurance. Nationally, 58 percent of all private sector employers offer health insurance. Only three States fall below this average: my home State of Arkansas, Mississippi, and Montana. Arkansas, rate for private coverage is 43 percent.

That is why I am proud to introduce legislation today that will offer small employers a real solution to the problem of accessing affordable, comprehensive health insurance for their employees. Our legislation calls for the creation of a new Small Employers Health Benefits Program which will offer small employers affordable choices among private health insurance plans by giving them access to a large purchasing pool and negotiated rates. Our bill combines the best of what government-run health care, but harnesses the power of market competition to bring down health insurance costs by using a proven government negotiator.

Under our bill, small businesses across America would be able to pool their risk and purchasing power together to offer affordable health insurance options for their employees. Based on the successful Federal Employees Health Benefits program, which has provided quality benefit choices to Federal employees for decades, our program would offer small businesses a range of benefit packages from a variety of insurance companies, ensuring them a choice of affordable products.

All small employers with under 100 employees could voluntarily participate in the new SEHBP. Why only 100 employees or less? We target help to those who need it the most. Take Arkansas as an example. 87 percent of the businesses in Arkansas with 100 to 200 employees do offer health insurance. However, most businesses in Arkansas, 76 percent to be exact, have less than 50 employees and less than one-third of them are able to offer health insurance to their employees.

Also under our bill, if employers agree to pay a minimum percentage of the premium for workers making under $25,000, they would receive a refundable tax credit in return. Why only low-wage workers? Studies show that more than half of workers in firms under 100 people make less than $25,000. And firms with a high proportion of low-wage workers are much less likely to offer insurance.

Further, current health tax-credits are not targeted to those who need help the most. A recent study shows that only 28 percent of current health benefit tax expenditures will go to families with incomes below $50,000 this year. This is bad considering that these families account for more than half of all families in our country. In contrast, families with incomes of $100,000 or more comprise 14 percent of the population but will account for 26 percent of all health benefit tax expenditures.

By giving small employers a refundable tax credit to defray part of the employer contribution for low-income workers, we provide help to those struggling families who need it the most.

One of the best aspects of our program is that every person working for a small business anywhere in the country—rural or urban—would have access to a choice of plans. And workers who move from one SEHBP-participating company to another anywhere in the Nation would be able to maintain their same health coverage.

For example, a florist working in Helena, AR, who is enrolled in an SEHBP nationwide plan could move to Carbondale, IL, without changing her health insurance. It's that easy.

Consumers are protected because plans in SEHBP will be subject to the same strict regulatory and solvency standards applied to plans in FEHBP. And small employers would be relieved of the burden of comparing insurers, benefit packages, costs and negotiating contracts.

I hope that our colleagues will take a careful look at our legislation and present it to the small businesses in their States. I hope they will ask them about their struggle to find affordable health insurance in today's market and see if they'd view this as a better alternative.

The number of uninsured in our country is alarming and should be a national priority. It is apparent by the statements of HHS Secretary Tommy Thompson yesterday that President Bush's administration doesn't recognize the severity of this crisis. Secretary Thompson said: ''Even if you don't have health insurance in America, you get taken care of. That could be defined as universal health care.''

With all due respect to Secretary Thompson, I don't know where he's getting his information. Just look at the facts:

Twenty percent of the working-aged adults in Arkansas (who are between 19 and 64 years of age) are uninsured. Forty-four million Americans nationwide don't have health insurance.

Uninsured families have less access to important screenings, state-of-the art technology, and prescription drugs. We just passed a Medicare prescription drug benefit because we know how important access to prescription drugs are in improving health.

Uninsured adults have a 25 percent greater mortality risk than adults with coverage. About 18,000 deaths among people younger than 65 are attributed to lack of health insurance coverage every year.

Uninsured adults with chronic conditions like diabetes, cardiovascular disease, HIV infection and mental illness have less access to preventive care and have worse clinical outcomes than insured patients. They try to buy insurance, but it is virtually impossible to get in the individual market.

Uninsured adults negatively affect our health care providers and local economies too. A community's high rate of uninsurance can adversely affect the overall health status of the community, the financial stability of its health care institutions and providers, and access to emergency departments and trauma centers. My hospitals in Arkansas will tell you how expensive uncompensated care can be.

These facts make it clear: people without health insurance don't ''get taken care of'' as Thompson said. Those who lack health insurance don't get access to timely and appropriate health care. The facts are that Americans without health insurance—children and adults—suffer worse health and die sooner than those who do have health insurance.

In Arkansas, the number one cause of bankruptcy is high medical bills. These working families need help with this problem.

The fact is that people who lack health insurance are sicker and die sooner. You ''don't get taken care of'' if you have no health insurance. You fend for yourself.

That's why our small businesses employers—who make up most of the businesses in Arkansas—want to offer health insurance to their employees. And that is why our bill that Senator DURBIN and I are introducing today is good for America.

By Mr. REID:

S. 2164. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize local educational agencies in rural areas to obtain a limited waiver of certain requirements relating to the employment of highly qualified teachers; to the Committee on Health, Education, Labor, and Pensions.

Mr. REID. Mr. President, I am introducing a bill today that I hope will be a useful tool for America's rural schools. The ''Assisting America's Rural Schools Act'' will address the concerns of rural Local Education Agencies (LEAs) that are trying to comply with the teacher quality standards set by the ''No Child Left Behind Act of 2001.''

Every day, rural communities are confronted by a shortage of resources. It may surprise some people to know there are still small towns in rural America where the citizens wait for a doctor to make his rounds, a mail truck to drop off the mail. These families have elected to stay in their communities despite all the obstacles, and they deserve an opportunity to enjoy a good quality of life.

It should come as no shock that there aren't many teachers who want to move to the remotest areas of a State, and teach in the few scattered schools in those areas. Furthermore, rural school districts' salaries and benefits are usually dwarfed by what urban school districts can offer, which presents another barrier to attracting teachers to rural areas.

Imagine the community's sigh of relief when a rural school does acquire a teacher. Now imagine the look on the teacher's face when she realizes she is expected to be ''highly qualified'' to instruct in multiple subjects.

The small town of Austin in Lander County, NV is one such community. Austin boasts a grand total of 63 students in grades K–12. For grades 6–12, there are only three teachers for all subjects. Yes, only three teachers.

These teachers are considered ''highly qualified'' in the areas of science, English, math, and physical education. In order for Austin to acquire a teacher who is ''highly qualified'' in the subject of history, the LEA must either find and recruit another teacher, or send one of its three current teachers back to school to get accredited in history via distance learning. Unfortunately, Lander County doesn't have the money to do either of these things.

Another quandary is presented in the event that one of these three teachers retires, quits, or leaves the school system. Again, it is incumbent upon the LEA to decide how to spend its limited funds.

Make no mistake about it: The issue is not whether teachers in rural areas should be qualified to teach multiple subjects—they should. However, requiring them to attain ''highly qualified'' status in all subjects simultaneously is unreasonable.

The ''Assisting America's Rural Schools Act'' provides rural LEAs with some flexibility in meeting the definition of a ''highly qualified teacher'' without diminishing the accountability standards for such teachers. Once the Department of Education deems a rural school district eligible, it will be allowed to exempt for 1 year any teacher already highly qualified in at least one core academic subject from the Federal requirement to be ''highly qualified'' in every subject taught. A highly qualified teacher who is working toward that certification in another subject can still teach both subjects.

Nevada is not alone in facing this dilemma. While 13 out of 17 counties in my state would qualify as rural LEA's under the bill, it would also provide relief for rural school systems in 48 other states.

There is no question that every child deserves a quality education regardless of whether he or she lives in urban rural America. We have the responsibility in Congress of making sure the door of opportunity is open to all our children.

The ''highly qualified'' teacher provision in the ''No Child Left Behind Act'' is having the unintended consequence of depleting the already scarce supply of teachers in rural areas. To correct this situation, Congress should pass the ''Assisting America's Rural Teachers Act'' in the near future.

This bill was authored by Representative JIM GIBBONS of Nevada and has been introduced in the House. I am proud to author the Senate Companion and urge my colleagues to support this bipartisan legislation.

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. 2164

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 ''Assisting America's Rural Schools Act''.

SEC. 2. RURAL WAIVER OF CERTAIN QUALIFICATIONS FOR TEACHERS.

(a) IN GENERAL.—Section 1119(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(a)) is amended by adding at the end the following:

''(4) AVAILABILITY OF WAIVER FOR RURAL LOCAL EDUCATIONAL AGENCIES.—

''(A) NEW HIRES.—Upon application by a rural local educational agency, the Secretary may grant the agency the authority to defer, for a 1-year period beginning on the date any teacher who is new to the profession first begins employment with the agency as a middle or secondary school teacher, the application to such teacher of the requirement in section 9101(23)(B)(ii) regarding demonstration of a high level of competency in each of the academic subjects in which the teacher teaches. During the deferral period, the teacher shall be considered to have satisfied such requirement if the teacher has demonstrated a high level of competency, in accordance with such section, in 1 of the academic subjects in which the teacher teaches.

''(B) EXISTING EMPLOYEES.—Upon application by a rural local educational agency, the Secretary may grant the agency the authority to defer, for a 1-year period beginning on the date any middle or secondary school teacher who is not new to the profession first begins teaching an academic subject that the teacher has not previously taught, the application to such teacher of the requirement in section 9101(23)(C)(ii) regarding demonstration of competence in all of the academic

subjects in which the teacher teaches. During the deferral period, the teacher shall be considered to have satisfied such requirement if the teacher has demonstrated competence, in accordance with such section, in 1 of the academic subjects in which the teacher teaches.

''(C) TERMS AND CONDITIONS.—The Secretary may, in the Secretary's discretion, establish such terms and conditions on the authority granted to a rural local educational agency under this paragraph as the Secretary determines to be appropriate.

''(D) DEFINITION.—For purposes of this paragraph, the term 'rural local educational agency' means a local educational agency with respect to which—

''(i) each county in which a school served by the agency is located has a total population density of fewer than 10 persons per square mile; or

''(ii) all schools served by the agency are designated with a school locale code of 7 or 8, as determined by the Secretary.''.

(b) REGULATIONS.—

(1) DEADLINE.—The Secretary of Education shall promulgate regulations to carry out the amendment made by subsection (a) not later than 180 days after the date of enactment of this Act.

(2) APPLICATION PROCEDURES.—The regulations promulgated pursuant to paragraph (1) shall specify procedures to be used by rural local educational agencies in submitting applications under section 1119(a)(4) of the Elementary and Secondary Education Act of 1965 (as added by subsection (a)).

(3) ELIGIBILITY.—The regulations promulgated pursuant to paragraph (1) shall specify the criteria the Secretary of Education will use in—

(A) determining whether to grant a waiver under subparagraph (A) or (B) of section 1119(a)(4) of the Elementary and Secondary Education Act of 1965 (as added by subsection (a)); and

(B) establishing terms and conditions under subparagraph (C) of such section.

By Mr. REED (for himself, Mr. HAGEL, Mr. MCCAIN, Mr. AKAKA, Mr. NELSON of Florida, and Mrs. CLINTON):

S. 2165. A bill to specify the end strength for active duty personnel of the Army as of September 30, 2005; to the Committee on Armed Services.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, we are on a very important piece of legislation. We also, on a daily basis, are confronted with a very important situation internationally, and that is our continued struggle in Iraq and Afghanistan. Today Senator HAGEL and I have announced legislation that would increase the end strength of the U.S. Army by 30,000 soldiers to meet these responsibilities worldwide.

This legislation will address a serious shortcoming in our Nation's defense policy, ensuring that we have sufficient forces to carry out all of our missions around the globe, in Iraq and in Afghanistan. This legislation would increase and authorize the end strength of the U.S. Army from its present total of 482,400, to a total of 512,400.

I am introducing this legislation today not only with Senator HAGEL, but also with Senator MCCAIN, Senator AKAKA, Senator BILL NELSON, and Senator CLINTON.

End strength is the number of personnel permitted to serve in the military. Retired GEN Gordon R. Sullivan once stated that the objective of end strength is:

To have enough soldiers to execute Army missions at the right time and the right place, have enough in the total to have both tactical and operational flexibility and to have adequate depth in numbers to support leader development, required force structure manning and the requisite balance needed across the ranks.

Each year in the Defense authorization bill, Congress authorizes the end strength of each branch of the military service, including the National Guard and Reserves.

The importance of the authorized end strength is that it is the number of soldiers the budget funds. On average, each soldier costs $329 a day or about $120,000 a year to fully house, pay, train, and equip.

Last October, when we were debating the emergency supplemental for operations in Iraq and Afghanistan, Senator HAGEL and I offered an amendment to increase the active-duty end strength of the Army by 10,000 soldiers and to pay for that increase out of the supplemental.

At that time, the administration vehemently opposed the amendment. The Pentagon argued that an increase was not necessary, that it was too expensive, and using funds from the supplemental would disrupt current plans to win the war in Iraq. The Army stated in its message, ''Increasing end strength is a last resort to fix the challenge'' of balancing forces properly to win the war in Iraq and the global war on terrorism.

Yet on January 28 of this year, a mere 3 months later, Army Chief of Staff General Peter Schoomaker announced he had received emergency authority to add 30,000 soldiers over the next 4 years to help ''rebalance the force.'' Moreover, the Army would pay for these additional troops with funds from the fiscal year 2004 supplemental.

Needless to say, I am happy the Department of Defense has adopted the position Senator HAGEL and I had last October. Indeed, they have raised our request of 10,000 up to 30,000. But it is one thing to have the soldiers—it is an important thing—but, unfortunately, the Department of Defense is using the supplemental process to avoid putting these troops in the budget, and I think that is the appropriate way to pay for it.

Our Army is the finest fighting force in the world, but it is in danger of being overextended and, in the process of that overextension, degraded in its quality and its effectiveness.

Despite the heroic efforts of soldiers every day—men and women—who sacrifice themselves for our benefit, without the assistance, the resources, the support they need, they will find it more and more difficult to do the job.

In January 2004, the National Journal summed up the serious situation facing our Army:

The occupation of Iraq, the largest single deployment since the Vietnam war, is lasting longer than expected, and comes on top of major deployments elsewhere around the globe. Tens of thousands of reservists have been sent away on lengthy tours that they never expected. Emergency ''stop loss'' orders have prevented soldiers from leaving the services once their enlistments are up. . . . [and] demoralized families are demanding relief.

The legislation we propose will address the major portion of that relief. On January 21 of this year, LT GEN John Riggs, the director of the Objective Force Task Force, or the Army of the future, told the Baltimore Sun:

You probably are looking at substantially more than 10,000—

Meaning 10,000 personnel.

I have been in the Army 39 years, and I've never seen the Army as stretched in that 39 years as I have today. . . .It's not my intent to be provocative but to be intellectually honest with my feelings on the strategy and commitment of the Army.

It is not Senator HAGEL's and my intent to be provocative but to be intellectually honest.

In a November 23, 2003, article in the Wall Street Journal, retired GEN Barry McCaffrey stated:

The U.S. Army is stretched to the breaking point. We do not need more U.S. troops in Iraq. We do need to increase active-duty strength of the U.S. Army in order to sustain the current effort in both Iraq and Afghanistan—while remaining prepared to counter North Korea. Many of us are concerned that we won't be able to carry out the strategy we've embarked on in Iraq because we won't be able to sustain it. Next summer, we could be saying that we're breaking the U.S. Army, and that we can't do a third rotation.

I would disagree with General McCaffrey on the need for additional troops in Iraq. This week's experience of almost 200 civilian casualties and suicide attacks on Shi'a pilgrims suggests there is perhaps a need for more U.S. security, as well as better Iraqi security.

The major point he makes is the point we are making: We have to increase the overall size of the Army if we want to carry out the strategy we embarked upon.

Jeffrey Record of the Army's Strategic Studies Institute stated in a report published in December of 2003 that the ''groundforce requirements in Iraq have forced the U.S. Army to the breaking point.'' He goes on to say that:

The Army appeared incapable of sustaining a commitment of 16 of its 33 active-duty combat brigades in Iraq absent a reduction in commitments elsewhere or an expansion of its force structure.

Since 1989, the Army's military end strength has been cut by more than 34 percent and civilian end strength by more than 45 percent while undergoing a 300-percent increase in mission rate. Their force structure is going down both in terms of military and civilian personnel, but their operations tempo has increased dramatically, and they are being stretched and stretched to the breaking point.

Today the Army presently has 492,242 soldiers serving on active duty. This has been the average rate for the past few weeks. This means that on the average, the Army needs 8,000 more soldiers each day to accomplish its mission than Congress has authorized and budgeted for.

We already know there is a shortfall in troops, and unless we adopt increases as we have proposed, this shortfall will become a huge chasm between the missions and capabilities to carry out those missions.

The situation in Iraq remains uncertain, but what is certain is the Army is already planning to have a force of slightly more than 100,000 troops in Iraq through 2006. This is not just a quick spike, a month or two that you can carry out through some emergency funding mechanisms, something temporary; this is several years. Indeed, I would suggest many years to complete the missions.

In order to address the stresses caused by Iraq, the Army is intent on rebalancing its force, or transforming it. The transformation is what General Schoomaker says requires the additional forces.

The Army is caught in a very difficult situation. They have to modernize and transform themselves into a more agile, more technologically sophisticated units, but still they have responsibilities of nation building in Iraq and Afghanistan. Those responsibilities are not amenable to high-tech solutions. They require the old-fashioned solutions: troops on the ground, troops talking to civilians in Iraq and Afghanistan, gathering intelligence, analyzing intelligence and having the force, both the perception of that force and the reality of that force, to ensure our adversaries are in check.

I am glad that today the Department of Defense now agrees with the proposal that was offered last fall by Senator HAGEL and myself and 51 of our colleagues who supported us that the Army needs more soldiers. What we disagree on is the way in which we should pay for these forces.

As I stated previously, every U.S. soldier costs the taxpayers approximately $120,000 per year. Therefore, an additional 30,000 troops would cost approximately $3.6 billion annually. There are two possible ways to authorize and fund an increase in end strength with its accompanying costs. One way is to put the end strength increase in the budget, raise the authorization levels in the Defense authorization bill, and find the funds in the $401 billion Defense budget to pay for the troops. That is a method used in the bill we are introducing today.

The Defense Department, however, has chosen a different route. It intends to increase end strength by using the emergency authority granted under 10 U.S. Code section 123a which waives the end strength restrictions for a fiscal year if there is a war or national emergency.

When this authority is used, the $3.6 billion cost of additional 30,000 troops is paid through supplemental or deficit funding.

This year, the extra troops will be paid for out of the fiscal year 2004 supplemental, but that supplemental will be depleted on September 30, 2004, if not earlier. So by my calculation, on October 1, 2004, there will be no funding and those 30,000 additional soldiers, or a significant portion of those troops, will still be in the field as they are recruited, trained, and deployed. That means the Defense Department will have to quickly request the Congress to provide another emergency funding for these troops, troops they know full well will be in the service or be recruited to the service or trained for the service by September 30, 2004.

Moreover, if the Pentagon persists in using this waiver, then they will repeat the scenario year after year. Pretend these troops do not exist when they send the regular budget up and then suddenly come to us with a supplemental at a convenient time and ask for additional money. That is not a way to budget for our forces.

I also point out that I am very concerned because I am hearing reports that the budget sent to us by the Budget Committee will include cuts to the overall defense line. How can the defense line overall be cut at the same time our military leaders are saying they need more troops?

There are those who are talking about the situation of abandoning Iraq. That is absolutely foolish. We are committed. Not only do we have to stay, we have to win. The only way to do that, in my view, is to maintain and provide the real resources for the troops to do their job. It is ironic to me, to say the least, that we would be contemplating a budget that cuts defense spending right now when we literally have so many unmet defense needs directly associated with Iraq and Afghanistan.

There is another problem with this supplemental approach. First, the definition of what is an emergency, the fiscal year 2000 budget resolution states that emergency funding must meet the following criteria: necessity; second, sudden, quickly coming into being, and not building up over time; third, urgent; four, unforeseen, unpredictable, and unanticipated; and five, temporary in nature.

These troops will not be temporary. The need is for several years. Certainly we know already what is coming before us. So this is not something quickly coming into being, something that is being built up suddenly.

The cost of 30,000 additional troops is now predictable and anticipated for at least the next 4 years. It does not qualify as an emergency. This device is simply hiding the true cost of ongoing operations and transformation.

As I said before, there are some who say this is a spike. It is not a spike. It is a plateau, or at least an ascending hill and a very slow decline.

This chart was presented to the Armed Services Committee staff by the Army on February 12, 2004. It shows the transformation plan. It shows the increase in the present end strength of 482,400 up to an end strength of roughly 512,400, from about 33 brigades to about 48 brigades. Then it shows the gradual decline.

I note this decline gets us back to current end strength around fiscal year 2010 or 2011. That is 7 years from now. That is not a spike. That is a tough hike up a steep hill and then a slow decline from that hill.

Also, this scenario assumes there are no other major contingencies such as North Korea; that there can be a successful transfer of military duties to more civilians; that we can reduce the time our soldiers are in training, in transit, in hospitals, and other nondeployed or nondeployable categories. These are all assumptions that might not be met.

The most prudent action today is to increase the forces that we suggest in our legislation. It is much easier to bring a force down than to build it up. When it is brought down, it saves money. When it is brought down, stop-loss orders do not have to be relied upon. These are orders which basically tell soldiers they have reached their enlistment termination date but we are not letting them go. They are no longer a volunteer, in some respects. They are with us until we tell them they can go. So that is something of which we have to be very conscious.

We have to also be concerned that these 30,000 troops might not come online at one moment. Obviously, it takes time to recruit and train. The Army may not need or be able to handle all of these troops. That does not argue against authorizing this increased end strength. What it does is argue for flexibility in the way the Army brings the troops on, and that is something I am sure we can talk about in the conduct of our discussions this year on the defense authorization legislation.

We have a point now where our Army is stretched. It is under tremendous stress, and to a degree this also applies to the Marine Corps, our land forces. We can do the responsible thing, which is to stand up and in the clear light of day increase the end strength of our military forces and pay for that end strength, or we can employ budgetary gimmicks.

We can avoid the reality. Through smoke and mirrors we can try to somehow persuade ourselves and maybe the American public that we do not have to pay for these operations in Iraq or Afghanistan. That would be wrong in terms of our responsibility to the American public and our responsibility, just as importantly, to the troops who are in the field. They have to know we are not playing budget games with our military forces. They have to know we support them, that we just cannot talk about a generational

struggle against terrorism if we have to fund that struggle.

We also have to be particularly cognizant that so many of our National Guard and Reserve forces are engaged in this conflict. Of the 100,000-plus troops who will be in Iraq in the next several weeks after this rotation, 40 percent will be Reserve and National Guard forces, the largest deployment of Reserve and National Guard forces since World War II in a combat area of operations.

What is the message we are sending to them? If we do not increase the size of our Active Forces, the message is simple: When you serve well—and they are—and honorably, and you return home, do not unpack your bags because you are going back before you know it.

We just do not have the Active Forces to carry out the missions.

I hope in the process of our deliberations on the Defense authorization bill we can include the Hagel-Reed amendment. I thank my colleagues who supported this amendment. Certainly, I think we want to do all we can for our forces in the field.

I yield the floor.

Mr. HAGEL. Mr. President, I rise today to join my colleague Senator JACK REED in introducing legislation to increase the endstrength of the U.S. Army by 30,000 additional troops.

Last month, the Army Chief of Staff, General Peter Schoomaker informed the Congress that the administration had approved an additional 30,000 Army troops on a ''temporary'' basis for the next 4 years.

Over the last year the Congress has been expressing grave concern that our Armed Forces are too small to meet the extraordinary demands being placed on them today. Demands that will likely continue to be with us well into the future.

The United States has over 125,000 troops in Iraq. Global commitments of our Armed Forces have soared since September 11, 2001. In order to prevent back-to-back deployments of our Active-Duty soldiers the Army National Guard and Army Reserve will comprise about 40 percent of the current troop rotation in Iraq.

In addition to dealing with the extraordinary demands being placed on the U.S. Army, the Secretary of defense has tasked General Schoomaker to transform the Army.

By some accounts this transformation will be the most significant and complex undertaking to face the Army in half a century. It will not only directly affect the Active-Duty Army, it will also change the nature of the Army National Guard and the Army Reserve.

Secretary Ramsfeld stated before the Senate Armed Services Committee that the Army must ''move away from the Napoleonic division structure designed for the 19th century, focusing instead on creating a 21st century 'Modular Army' made up of self-contained, more self-sustaining brigades that are available to work with any division commander.''

Transformation of the Armed Forces has been a mantra of the Department of Defense. To show unwavering commitment to transformation the Secretary has created the Office of Force Transformation and a Supreme Allied Commander Transformation at NATO. Using the Quadrennial Defense Review as a compass Secretary Rumsfeld has been ''transforming'' almost everything the Pentagon does . . . including senior officer lunch rooms in the Pentagon.

The transformation of the Army's Total Force will affect about 1½ million people in uniform and a significant number of DOD civilians, employers, and families.

So, why will the transformation of the U.S. Army be done off budget using the emergency supplemental appropriations process? Why will some of the additional manpower that General Schoomaker needs to transform the Army and rebalance the National Guard and Army Reserve come from preventing soldiers from leaving the Army at the end of their enlistments or delaying their retirement? An action referred to by the Pentagon as ''stop loss.''

The Constitution tasks the Congress with significant responsibility regarding our national security.

Article 1, Section 8 of the United States Constitution gives Congress the power ''to provide the common defense . . . to raise and support Armies . . . to provide and maintain a navy . . . and to make laws which shall be necessary and proper for carrying out the foregoing powers.''

In executing this responsibility Senator REED and I are introducing legislation to permanently increase the endstrength of the U.S. Army by 30,000 troops. This legislation will give the Army Chief of Staff additional help he needs to fight the war on terrorism, stabilize Iraq and Afghanistan, and meet the global demands being placed on the total force today. Our legislation also gives General Schoomaker the manpower ''headroom'' he has testified he needs to transform the total force . . . the Active-Duty Army, the Army Reserve, and the Army National Guard.

This legislation will set the U.S. Army's endstrength at 512,400, 30,000 soldiers higher than it is currently set.

It is not our intention to put the Army in a position that to fund the additional troops they must deplete critical recapitalization, modernization, research, and MILCON accounts. The Department of Defense should be required to better rationalize the department budget to make U.S. Army, Army National Guard, and Army Reserve transformation one of the highest, fully funded, priorities of our Armed Forces.

By Mrs. BOXER (for herself, Ms. SNOWE, Mrs. MURRAY, Ms. COLLINS, Mrs. CLINTON, Mrs. FEINSTEIN, and Ms. CANTWELL):

S. 2166. A bill to amend title 10, United States Code, to exempt abortions of pregnancies in cases of rape and incest from a limitation on use of Department of Defense funds; to the Committee on Armed Services.

Mrs. BOXER. Madam President, over the past several months, we have heard about tragic incidents in which female cadets at the Air Force Academy and military service women in Iraq have been the victims of rape and sexual assault. This is deplorable. There are 200,000 women in uniform, yet while they are protecting our Nation, our Nation is failing to protect them from rape and sexual assault.

It is an even greater insult that we are telling our service women that the Department of Defense will not pay if they choose to terminate a pregnancy that is the result of rape.

Current law states that DoD funds may not be used to perform abortions except where the life of the mother would be endangered. It does not provide any exception for cases of rape and incest—such as is the case in the Medicaid program. The Boxer-Snowe bill would add rape and incest to the life exception that is now law.

While current law allows service members to use military treatment facilities for abortions resulting from rape and incest, the service woman must pay for the procedure out of her own pocket. This is an insult.

According to a study by the Iowa Veterans Affairs Medical Center, 30 percent of female U.S. military veterans report having been raped or having been the victim of an attempted rape during their military service. This legislation will provide help for our female troops in cases of such horrific crimes.

I ask unanimous consent that two letters of support for this bill be printed in the RECORD.

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

POPULATION CONNECTION,
Washington, DC, February 25, 2004.

Hon. Senator BARBARA BOXER,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR BOXER: I am writing on behalf of 90,000 members and supporters of Population Connection to express our support for your bill providing that women who are victims of rape or incest and serving in the U.S. military—or are the dependents of members of the armed forces—have access to government funded abortions. The legislation is a critical first step in bringing to an end the appalling policy that denies military women the basic freedom of choice that all Americans are guaranteed.

Every individual has the fundamental right to freely decide the number and spacing of her children and reproductive choice is basic to the principle of individual liberty cherished by all Americans and most people worldwide. Far too many American women have been denied the full range of reproductive choices for too long. We strongly support efforts to expand choices for all those women denied them, and that includes the

women serving in our armed forces. Your bill is an important first step in bringing constitutionally guaranteed health services to women making huge sacrifices on behalf of all of us.

We applaud your efforts to ensure reproductive freedom by ending irrational and harmful barriers to the health and well being of women. Please let us know what we can do to assist you in your efforts.

Sincerely,

BRIAN E. DIXON,
Director of Government Relations.

NARAL PRO-CHOICE AMERICA,
March 2, 2004.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: I write to express NARAL Pro-Choice America's strong support for your legislation to allow federal funding for abortions in military facilities in cases of rape or incest. This legislation is needed to support our female troops and military dependents who have been the victims of such unspeakable crimes.

Current law only allows federal funding for abortions at military hospitals in cases of life endangerment. However, recent reports of sexual assault from female service members returning from duty in Iraq and other overseas stations demonstrate, sadly, that this policy fails to acknowledge the reality some servicewomen face. In addition, a 2003 study conducted by Dr. Anne Sadler with the Iowa City Veterans Affairs Medical Center found that 30 percent of female U.S. military veterans report having been raped or suffered a rape attempt during their military service.

More than 100,000 women live on military bases overseas and rely on military hospitals for their health care—not to mention those posted stateside. The current-law ban on publicly funded abortions in cases of rape and incest may make some women reluctant to seek these medical services or force them to delay the procedure for several weeks. For each week an abortion is delayed, the risk to the woman's health increases. This ban further harms the women and families who have volunteered to serve their country, placing yet another obstacle in front of those who have already suffered an unspeakable assault and may wish to exercise their constitutionally protected right to choose.

Secretary of Defense Donald Rumsfeld recently directed the department's undersecretary for personnel and readiness to review the military's procedures for medical care for sexual-assault victims. A policy of allowing federal funding for abortion services in overseas military hospitals for victims of rape and incest is an important and common-sense first step.

We commend your courageous leadership on this important issue, and hope to work with you closely toward your legislation's enactment. It is vital that Congress pass critical measures such as this to support our troops and ensure that they are able to receive the health care the need.

Warm regards,

KATE MICHELMAN,
President.

By Mr. REED (for himself, Mr. CORNYN, and Mr. LEAHY):

S. 2168. 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.

Mr. REED. Madam President, I rise today to introduce the Equity in Law Enforcement Act, to extend to sworn, licensed, or certified police officers serving private institutions of higher education and rail carriers, the same Federal benefits that apply to law enforcement officers serving units of State and local government.

Each day, thousands of law enforcement officers put their lives on the line to protect the public's safety on our Nation's university and college campuses and our railways.

The attacks of September 11, 2001, marked a significant change in the way the United States regarded the threat of terrorism against our homeland. These events also highlighted the important role of the nation's law enforcement officers in the security of our country.

Sworn officers on private university campuses protect the public's safety and secure assets similar to those that are found on public university campuses, including nuclear laboratories and critical research and development infrastructure. Events such as last year's bombing at Yale University have highlighted the risks facing our nation's college and university campuses.

In addition, the protection of our transportation systems, such as our railways, is now more important than ever. Railroad police officers are charged with enforcing State and local laws in any jurisdiction in which the rail carrier owns property. They attend the same police academies as State and local police in the state in which they are domiciled, and most come from law enforcement backgrounds.

The Public Safety Officers' Benefits (PSOB) Act of 1976 was enacted to aid in the recruitment and retention of law enforcement officers and firefighters, by providing a one-time financial benefit to the eligible survivors of public safety officers whose deaths are the direct result of traumatic injury sustained in the line of duty. Specifically, Congress enacted this legislation to address concerns that the hazards inherent in law enforcement and fire suppression, and the low level of State and local death benefits, might discourage qualified individuals from seeking careers in these fields.

The same risks also apply to police officers protecting our private universities and railways. Indeed, names of 59 railway officers are inscribed on the National Law Enforcement Officers Memorial in Washington, D.C. Of these 59 officers, 44 of them were shot to death, and the rest were killed in the line of duty. Since 1878, the Union Pacific Railroad has suffered the loss of 16 police officers, 10 of those killed by gunfire, and the Norfolk Southern Railroad has lost another 14 officers in the line of duty. All but one of these 14 officers were killed by gunfire. These sobering facts are evidence of the dangers faced by these officers every day.

Similar dangers face many police officers serving private institutions of higher education. Take the case of Tulane University Police Sergeant Gilbert J. Mast. On January 20, 1996, Sergeant Mast was killed while on patrol, when he was struck by a hit-and-run vehicle. The driver surrendered to officers of the New Orleans Police Department several days later. Although Sergeant Mast had bravely served as a law enforcement officer on Tulane's campus, and the Director of Public Safety at Tulane had filed the required paperwork for survivor benefits, his family was denied because he was not employed by the public sector.

Sergeant Mast is just one example of the many brave police officers who protect our railways and college and university campuses every day, yet who are not covered under the Public Safety Officers' Benefits Act, and are thus excluded from receiving the same Federal death benefits as law enforcement officers serving units of State and local governments.

I am pleased that Senators LEAHY and CORNYN have joined me in introducing the Equity in Law Enforcement Act, to help remedy this discrepancy in death benefit payments for law enforcement officers.

This bi-partisan legislation will extend Federal benefits to law enforcement officers who serve private institutions of higher education and rail carriers, including line-of-duty death benefits under the Public Safety Officers' Benefits Program, and eligibility for Bulletproof Vest Partnership Grants through the Department of Justice. The bill would ensure that these public safety officers have access to the protective equipment they need, and that they and their families receive benefits if an officer is killed or seriously injured.

The bill would apply only to sworn peace officers who receive State certification or licensing, and is supported by the International Association of Chiefs of Police (IACP) and the International Association of Campus Law enforcement Administrators (IACLEA).

Indeed, the benefits of this legislation far outweigh the costs. A recent analysis by the Congressional Budget Office has found that there would be no significant budget impact by its enactment.

The importance of police officers on our campuses and railways is more apparent than ever. I believe that it is necessary that these brave men and women are able to receive the same benefits as their counterparts in State and local law enforcement units, and I am pleased that this legislation has also been introduced in the House of Representatives by Congressman CHRIS BELL, along with 3 bi-partisan cosponsors.

I urge my colleagues to join me, and Senators LEAHY and CORNYN, in cosponsoring and passing the Equity in Law enforcement Act, to ensure that the brave officers that serve our private college and university campuses and railways receive the benefits that they deserve. I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 2168

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 ''Equity in Law Enforcement Act''.

SEC. 2. LINE-OF-DUTY DEATH AND DISABILITY BENEFITS.

Section 1204(8) of part L of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(8)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(D) an individual who is—

''(i) serving a private institution of higher education in an official capacity, with or without compensation, as a law enforcement officer; and

''(ii) sworn, licensed, or certified under the laws of a State for the purposes of law enforcement (and trained to meet the training standards for law enforcement officers established by the relevant governmental appointing authority); or

''(E) a rail police officer who is—

''(i) employed by a rail carrier; and

''(ii) sworn, licensed, or certified under the laws of a State for the purposes of law enforcement (and trained to meet the training standards for law enforcement officers established by the relevant governmental appointing authority).''.

SEC. 3. LAW ENFORCEMENT ARMOR VESTS.

(a) GRANT PROGRAM.—Section 2501 of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll) is amended—

(1) in subsection (a)—

(A) by striking ''and Indian tribes'' and inserting ''Indian tribes, private institutions of higher education, and rail carriers''; and

(B) by inserting before the period the following: ''and law enforcement officers serving private institutions of higher education and rail carriers who are sworn, licensed, or certified under the laws of a State for the purposes of law enforcement (and trained to meet the training standards for law enforcement officers established by the relevant governmental appointing authority)'';

(2) in subsection (b)(1), by striking ''or Indian tribe'' and inserting ''Indian tribe, private institution of higher education, or rail carrier''; and

(3) in subsection (e), by striking ''or Indian tribe'' and inserting ''Indian tribe, private institution of higher education, or rail carrier''.

(b) APPLICATIONS.—Section 2502 of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll–1) is amended—

(1) in subsection (a), by striking ''or Indian tribe'' and inserting ''Indian tribe, private institution of higher education, or rail carrier''; and

(2) in subsection (b), by striking ''and Indian tribes'' and inserting ''Indian tribes, private institutions of higher education, and rail carriers''.

(c) DEFINITIONS.—Section 2503(6) of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll–2(6)) is amended by striking ''or Indian tribe'' and inserting ''Indian tribe, private institution of higher education, or rail carrier''.

SEC. 4. OTHER GRANTS.

Section 510(a)(2) of chapter A of subpart 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3760(a)(2)) is amended by striking ''and local units of government'' and inserting '', units of local government, private institutions of higher education, and rail carriers''.

By Mr. GRAHAM of Florida (for himself and Mr. NELSON of Florida):

S. 2169. A bill to modify certain water resources projects for the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama; to the Committee on Environment and Public Works.

Mr. GRAHAM of Florida. Madam President, the locals call it ''God's country.'' The Apalachicola River, beginning at the confluence of the Chattahoochee and Flint River, near the borders of Alabama, Florida, and Georgia, was and remains an important waterway in the southeast. The river's purpose as a waterway, however, has changed since its colonial fame.

The Apalachicola is the largest river east of the Mississippi. In its heyday, the Apalachicola was an important tributary that served as the largest port of the Gulf of Mexico—harboring ships carrying cotton to Europe and New England.

In the 21st century, while no longer an essential route of transport, the Apalachicola River is an important environmental and commercial asset. The history of the Apalachicola River as an Army Corps of Engineers project began in 1945 and the Rivers and Harbors Act, which authorized dredging of navigation channels. Over the past 59 years, millions of taxpayer dollars have been swept down the river in an effort to dredge and maintain the 9-foot-deep channel.

The Corps has had difficulty maintaining the channel, and combines dredging with water releases in order to raise water levels and provide navigation windows. This system is hopelessly flawed. Dredging is unmanageable and navigation windows are unreliable, making the process a fiscal waste.

Add to this fact that over the last few years, commercial barge traffic has slowed from an intermittent stream to a virtually non-existent trickle. River traffic dropped dramatically in the late 1990s, with fewer than 200 barges a year using the river system. By 2001, only 30 barges used the entire tri-river system with the cost of dredging the channel exceeding $30,000 per barge. Most recently, in 2004 the only company that used barges to carry cargo on the upper reaches of the river ceased operations.

Furthermore, the Congressional Budget Office estimates that the average cost per ton-mile from 1995–98 at 14.1 cents, almost 24 times more than the cost of the Upper Mississippi River at .597 cents. In light of these circumstances, continued dredging of Florida's largest river is not just wasteful, it is foolish.

Ending the dredging is not just about how wasteful this project is—it is also about the environmental destruction that is being inflicted on the Apalachicola River and Bay. There are beaches of sand where there were once river banks. There are walls of dredged spoil—some towering like buildings four stories high—where the river waters used to meander. To date, dredged sand has resulted in the destruction of approximately one-quarter of the banks of the Apalachicola. The large amounts of sand have choked sloughs and cut off the water supply to surrounding habitat, ultimately threatening the local economy.

Navigation windows remain a imperil threatened and endangered species like the Gulf Sturgeon, the Fat Three-Ridge and the Purple Bank Climber. The April 2000 navigation window resulted in an almost complete failure of sportfish spawn along the entire Apalachicola River and reservoirs upstream. Sportfish population have been in rapid decline along the river since 1990. This time frame corresponds with the Corps' continued reliance on water releases to provide adequate water for navigation.

The constant and gross interruptions of the natural system have degraded the environment of the Apalachicola River and quality of life of those who depend upon it. It comes as no surprise that the Apalachicola has repeatedly earned the designation by American Rivers as one of our Nation's Most Endangered Rivers. The Apalachicola has also been included in the 2000 Troubled Waters Report and the 2001 and 2002 Green Scissors Report.

Manipulation of the Apalachicola poses a serious risk to the local economy. Important businesses, such as farmers who produce Tupelo honey and the fishermen who harvest oysters and shrimp in Apalachicola Bay, are dependent on the river's overall health. Additionally, commercial fishing operations along the Gulf Coast also rely on the Bay for their livelihood.

The negative impacts of dredging and the low commercial use of the Apalachicola River led former Secretary of the Army for Civil Works, Joe Westphal, to describe the project as not ''economically justified or environmentally defensible.''

Dredging the Apalachicola exacts too high a price from both taxpayers and the environment. Clearly it is time to rethink this expensive and ecologically devastating practice.

The bill I offer today, the Restore the Apalachicola River Ecosystem (RARE) Act, was originally introduced in 2002 and subsequently passed by the Committee on Environment and Public Works. It authorizes the actions necessary to reform the Apalachicola River project. It is my hope that this legislation will again be approved by the committee and then by the full Senate.

The first thing my bill does is put an end to the navigational dredging on the river.

Second, it instructs the Corps to submit to Congress a comprehensive restoration plan that corrects the past harms done to the Apalachicola.

The only way to restore the Apalachicola River to its former greatness is to cease navigational dredging. The designation of the Apalachicola as one of the nation's most endangered rivers should be a wake-up call to Congress and the Army Corps of Engineers to permanently end the dredging of the Apalachicola and allow the river to return to its natural state free of man's manipulation.

I urge my colleagues to support this legislation, which is both fiscally sound and environmentally responsible.

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

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

S. 2169

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 ''Restore the Apalachicola River Ecosystem Act'' or the ''RARE Act''.

SEC. 2. APALACHICOLA, CHATTAHOOCHEE, AND FLINT RIVERS, GEORGIA, FLORIDA, AND ALABAMA.

(a) IN GENERAL.—The project for navigation, Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama, authorized by section 2 of the Act of March 2, 1945 (59 Stat. 17, chapter 19), and modified by the first section of the Act of July 24, 1946 (60 Stat. 635, chapter 595), and the project for the West Point Reservoir, Chattahoochee River, Georgia, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1182), are modified—

(1) to deauthorize the 9-foot by 100-foot channel between the Gulf Intracoastal Waterway near Apalachicola, Florida, to Jim Woodruff Dam near Chattahoochee, Florida; and

(2) to authorize the Secretary of the Army, in consultation with the State of Florida, to develop the plan described in subsection (b).

(b) PLAN FOR RESTORATION OF APALACHICOLA RIVER.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act and before commencement of any restoration activity under subsection (a), the Secretary of the Army, in coordination with the State of Florida, the United States Fish and Wildlife Service, and the United States Geological Survey, shall—

(A) develop a comprehensive plan to restore the Apalachicola River basin; and

(B) submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives the plan developed under subparagraph (A).

(2) REQUIRED ELEMENTS.—The plan under paragraph (1) shall—

(A) have as its sole goal the reestablishment of the ecological integrity of the Apalachicola River basin ecosystem (including restoration of bendways, interconnecting waterways, sloughs, watersheds, associated land areas, and fish and wildlife habitat);

(B) reestablish an ecosystem that supports and sustains a balanced, integrated, adaptive community of organisms having species composition, diversity, and functional organization comparable to those of the natural habitat of the Apalachicola River; and

(C) include a method of monitoring and assessing the biota, habitats, and water quality of the Apalachicola River basin for use in assessing restoration activities and impacts of restoration activities.

(3) FUNDING.—The plan under paragraph (1) shall be developed at a total cost of $4,000,000.

(c) PUBLIC OUTREACH.—In carrying out this section, the Secretary of the Army shall engage in significant public outreach.

(d) RELATIONSHIP TO OTHER ACTIVITIES.—The Secretary of the Army shall ensure that activities conducted under this section do not interfere with water compact activities and negotiations being carried out as of the date of enactment of this Act with respect to the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama.

(e) OPERATION OF LOCKS AND DAMS.—Nothing in this section affects the authority under which locks and dams on the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama, are operated as of the date of enactment of this Act.

(f) EFFECT ON OTHER LAW.—Nothing in this section limits the authority of any agency under any other provision of law to require compliance with any applicable statutory or regulatory requirement.

By Mrs. HUTCHISON:

S. 2170. A bill to establish the Weather Modification Operations and Research Board and outline its duties and responsibilities; to the Committee on Commerce, Science, and Transportation.

Mrs. HUTCHISON. Mr. President, I rise to introduce legislation to recognize the importance and need for increased weather modification research. Weather modification is the general term that refers to any human attempt to alter the weather. While we may not be able to stop Mother Nature entirely, we can sometimes alter her course, changing the weather in small, yet significant ways. These efforts have been used in the U.S. for more than 50 years to reduce crop and property damage, optimize useable precipitation during growing seasons and lessen the impact of periodic, often severe droughts.

The weather modification projects in Texas and other States in the U.S. are much more than well considered responses to drought. They are trying to use the latest technological developments in the science to chemically squeeze more precipitation out of clouds. Moisture that is needed to replenish fresh-water supplies in aquifers and reservoirs. Political subdivisions like water conservation districts and county commissions have embraced the technology of rain enhancement as one element of a long-term, water-management strategy. This is critical to ensure growing populations have enough water to meet future needs.

This bill will develop a comprehensive and coordinated national weather modification policy through federal and state research and development programs. It will also establish a Weather Modification Advisory and Research Board within the Department of Commerce to promote and expand the practical knowledge of weather modification. Further, it recognizes the significance of state and federal collaboration in this endeavor.

I am proud to offer this legislation to bring attention to this important research and I would urge my colleagues to support the Weather Modification Research and Technology Transfer Authorization Act. 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. 2170

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 ''Weather Modification Research and Technology Transfer Authorization Act''.

SEC. 2. PURPOSE.

It is the purpose of this Act to develop and implement a comprehensive and coordinated national weather modification policy and a national cooperative Federal and State program of weather modification research and development.

SEC. 3. DEFINITIONS.

In this Act:

(1) BOARD.—The term ''board'' means the Weather Modification Advisory and Research Board.

(2) EXECUTIVE DIRECTOR.—The term ''executive director'' means the executive director of the Weather Modification Advisory and Research Board.

(3) RESEARCH AND DEVELOPMENT.—The term ''research and development'' means theoretical analysis, explorations, experimentation, and the extension of investigative findings and theories of scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(4) WEATHER MODIFICATION.—The term ''weather modification'' means changing or controlling, or attempting to change or control, by artificial methods the natural development of atmospheric cloud forms or precipitation forms which occur in the troposphere.

SEC. 4. WEATHER MODIFICATION ADVISORY AND RESEARCH BOARD ESTABLISHED.

(a) IN GENERAL.—There is established in the Department of Commerce the Weather Modification Advisory and Research Board.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The board shall consist of 11 members appointed by the Secretary of Commerce, of whom—

(A) at least 1 shall be a representative of the American Meteorological Society;

(B) at least 1 shall be a representative of the American Society of Civil Engineers;

(C) at least 1 shall be a representative of the National Academy of Sciences;

(D) at least 1 shall be a representative of the National Center for Atmospheric Research of the National Science Foundation;

(E) at least 2 shall be representatives of the National Oceanic and Atmospheric Administration of the Department of Commerce;

(F) at least 1 shall be a representative of institutions of higher education or research institutes; and

(G) at least 1 shall be a representative of a State that is currently supporting operational weather modification projects.

(2) SERVICE AS MEMBERS.—A member of the board shall serve at the pleasure of the Secretary of Commerce.

(3) VACANCIES.—Any vacancy on the board shall be filled in the same manner as the original appointment.

(b) ADVISORY COMMITTEES.—The board may establish advisory committees to advise the board and to make recommendations to the board concerning legislation, policies, administration, research, and other matters.

(c) INITIAL MEETING.—Not later than 30 days after the date on which all members of the board have been appointed, the board shall hold its first meeting.

(d) MEETINGS.—The board shall meet at the call of the Chair.

(e) QUORUM.—A majority of the members of the board shall constitute a quorum, but a lesser number of members may hold hearings.

(f) CHAIR AND VICE CHAIR.—The board shall select a Chair and Vice Chair from among its members.

SEC. 5. DUTIES OF THE BOARD.

(a) PROMOTION OF RESEARCH AND DEVELOPMENT.—In order to assist in expanding the theoretical and practical knowledge of weather modification, the board shall promote and fund research and development, studies, and investigations with respect to—

(1) improved forecast and decision-making technologies for weather modification operations, including tailored computer workstations and software and new observation systems with remote sensors; and

(2) assessments and evaluations of the efficacy of weather modification, both purposeful (including cloud-seeding operations) and inadvertent (including downwind effects and anthropogenic effects).

(b) FINANCIAL ASSISTANCE.—Unless the use of the money is restricted or subject to any limitations provided by law, the board shall use amounts in the Weather Modification Research and Development Fund—

(1) to pay its expenses in the administration of this Act, and

(2) to provide for research and development with respect to weather modifications by grants to, or contracts or cooperative arrangements, with public or private agencies.

(c) REPORT.—The board shall provide the Secretary with a report of its findings and research results biennially.

SEC. 6. POWERS OF THE BOARD.

(a) STUDIES, INVESTIGATIONS AND HEARINGS.—The board may make any studies or investigations, obtain any information, and hold any hearings necessary or proper to administer or enforce this Act or any rules or orders issued under this Act.

(b) PERSONNEL.—The board may hire an executive director and other support staff, as provided by the appropriations act, necessary to perform duties and functions under this Act.

(c) COOPERATION WITH OTHER AGENCIES.—The board may cooperate with public or private agencies to promote the purposes of this Act.

(d) COOPERATIVE AGREEMENTS.—The board may enter into cooperative agreements with the agencies of the United States, States of the United States and their counties and cities, or with any private or public agencies or organizations for conducting weather modification activities or cloud-seeding operations.

(e) CONDUCT AND CONTRACTS FOR RESEARCH AND DEVELOPMENT.—The executive director, with approval of the board, may conduct and may contract for research and development activities relating to the purposes of this section.

SEC. 7. COOPERATION WITH THE WEATHER MODIFICATION OPERATIONS AND RESEARCH BOARD.

Agencies of the United States and other public or private agencies and institutions that receive research funds from the United States are directed to the extent possible to give full support and cooperation to the board and to initiate independent research and development programs that address weather modifications.

SEC. 8. FUNDING.

(a) IN GENERAL.—There is established within the Treasury of the United States the Weather Modification Research and Development Fund, which shall consist of amounts appropriated pursuant to subsection (b) or received by the board under subsection (c).

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the board for the purposes of carrying out the provisions of this Act $10,000,000 for each of fiscal years 2004 through 2013. Any sums appropriated under this subsection shall remain available, without fiscal year limitation, until expended.

(c) GIFTS.—The board may accept, use, and dispose of gifts or donations of services or property.

SEC. 9. EFFECTIVE DATE.

The provisions of this Act shall apply on and after October 1, 2003.

By Mrs. BOXER:

S. 2171. A bill to establish a first responder and terrorism preparedness grant information hotline, and for other purposes; to the Committee on Governmental Affairs.

Mrs. BOXER. I am pleased to introduce the First Responders Homeland Defense Act of 2004. This bill would help alleviate funding shortages that our Nation's first responders are experiencing, and would help alleviate confusion about Federal grant programs.

The first provision of the First Responders Homeland Defense Act is a grant assistance hotline. When the Department of Homeland Security was created, many local emergency responder agencies were hopeful that a one-stop shop for homeland security resources would be available. Unfortunately, an easily accessible and understandable resource does not yet exist.

In addition to grants from the Department of Homeland Security, there are many grant programs available to first responders from other federal departments. For example, as part of the Department of Health and Human Services, the Centers of Disease Control and Prevention assists state and local public health officials improve hospital preparedness. The Bureau of Justice Assistance at the Department of Justice distributes funding for law enforcement agencies to prepare for terrorist events.

For a local law enforcement agency or fire department, determining eligibility for the wide range of grant programs in a number of different Federal agencies—not to mention even knowing the full range of funding that is available—could be a confusing and daunting task. In order to help make it easier for first responders, my bill would establish a grant assistance hotline at the Department of Homeland Security that would provide local first responders with information on available grants and how to apply for them.

The First Responders Homeland Defense Act also creates a new grant program for tax-exempt non-profit organizations that provide first responder training. Many public and private agencies are creating projects and training programs that involve the business community in defending the homeland. Organizations with non-profit, tax exempt status should be eligible for Federal grant funds when working on community-wide terrorism preparedness. The Department of Homeland Security should fulfill the goal of community-wide preparation by providing Federal assistance to non-profit organizations that operate training programs in conjunction with a local agency.

Finally, the First Responders Homeland Defense Act creates a grant program for another important purpose: interoperable communications systems. Many homeland security experts recognize that while there are many Federal funding opportunities for anti-terrorism activities, there is very little money dedicated to interoperable communications systems. These are systems that allow different local and State agencies to communicate directly with one another—something that is vital to terrorism prevention and response. Yet these systems are all too rare. This bill establishes a grant program at the Department of Homeland Security for the specific purpose of assisting local agencies improve existing communications systems or purchase new systems.

Making the Department of Homeland Security more accessible to local communities and making more resources available to first responders should be a top priority. Many law enforcement officials and other first responders have reviewed this legislation, and I am pleased to introduce the First Responders Homeland Defense Act in response to many of their concerns.

This bill is an important step in fulfilling the Federal responsibility to protect the homeland. I urge my colleagues to support it.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 310—COMMEMORATING AND ACKNOWLEDGING THE DEDICATION AND SACRIFICE MADE BY THE MEN AND WOMEN WHO HAVE LOST THEIR LIVES WHILE SERVING AS LAW ENFORCEMENT OFFICERS

Mr. CAMPBELL (for himself, Mr. LEAHY, Mr. HATCH, and Mr. ALLARD) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 310

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 850,000 men and women, at great risk to their personal safety, presently serve their fellow citizens as guardians of peace;

Whereas peace officers are on the front line in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas nearly 150 peace officers across the United States were killed in the line of duty during 2003, well below the decade-long average of 166 deaths annually;

Whereas a number of factors contributed to this reduction in deaths, including better equipment and the increased use of bullet-resistant vests, improved training, longer prison terms for violent offenders, and advanced emergency medical care;

Whereas every other day, 1 out of every 9 peace officers is assaulted, 1 out of every 25 peace officers is injured, and 1 out of every 6,000 peace officers is killed in the line of duty somewhere in the United States; and

Whereas on May 15, 2004, more than 20,000 peace officers are expected to gather in Washington, D.C. to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 2004, as Peace Officers Memorial Day, in honor of Federal, State, and local officers killed or disabled in the line of duty; and

(2) calls upon the people of the United States to observe this day with appropriate ceremonies and respect.

Mr. CAMPBELL. Madam President, today I am joined by the chairman and ranking member of the Senate Judiciary Committee, Senators HATCH and LEAHY and Senator ALLARD in introducing this resolution to keep alive in the memory of all Americans the sacrifice and commitment of those law enforcement officers who lost their lives serving their communities. Specifically, this resolution would designate May 15, 2004, as National Peace Officers Memorial Day.

As a former deputy sheriff, I know first-hand the risks which law enforcement officers face every day on the frontlines protecting our communities. Currently, more than 850,000 men and women who serve this Nation as our guardians of law and order do so at a great risk. Every year, about 1 in 9 officers is assaulted, 1 in 25 officers is injured, and 1 in 6,000 officers is killed in the line of duty somewhere in America every other day. There are few communities in this country that have not been impacted by the words ''officer down.''

On September 11, 2001, 72 peace officers died as a result of a cowardly act of terrorism. This single act of terrorism resulted in the highest number of peace officers ever killed in a single incident in the history of this country. Before this event, the greatest loss of law enforcement in a single incident occurred in 1917, when nine Milwaukee police officers were killed in a bomb blast at their police station.

In 2003, nearly 150 Federal, State, tribal and local law enforcement officers gave their lives in the line of duty, well below the decade-long average of 166 deaths annually, and a major drop from 2001 when a total of 230 officers were killed. A number of factors contributed to this reduction including better equipment and the increased use of bullet-resistant vests, improved training, longer prison terms for violent offenders, and advanced emergency medical care. And, in total, more than 16,000 men and women have made the supreme sacrifice.

The chairman of the National Law Enforcement Officers Memorial Fund, Craig W. Floyd, reminds us that

a police officer is killed in the line of duty somewhere in America nearly every other day. More than 850,000 officers put their lives at risk each and every day for our safety and protection. National Police Week and Peace Officers Memorial Day provide our Nation with an important opportunity to recognize and honor that extraordinary service and sacrifice.

On May 15, 2004, more than 20,000 peace officers are expected to gather in our Nation's Capital to join with the families of their fallen comrades who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities. In doing so, these heroes have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens. This resolution is a fitting tribute for this special and solemn occasion.

I urge my colleagues to join us in supporting passage of this important resolution.

Mr. LEAHY. Madam President, I proudly rise today to join my colleagues Senators CAMPBELL, HATCH and ALLARD to introduce a resolution to designate May 15, 2004, as National Peace Officers Memorial Day. We submit this resolution to keep alive in the memory of all Americans the sacrifice and commitment of those law enforcement officers who lost their lives serving their communities.

I commend Senator CAMPBELL for his leadership in this issue. This marks the eighth year running, I believe, that he and I have joined forces to introduce the resolution to commemorate National Peace Officers Memorial Day. As a former deputy sheriff, Senator CAMPBELL has experienced first-hand the risks faced by law enforcement officers every day while they protect our communities. His knowledge in this area is a true asset to the U.S. people.

I also want to thank each of our Nation's brave law enforcement officers for their unwavering commitment to the safety and protection of their fellow citizens. They are real-life heroes, too many of whom too often give the ultimate sacrifice, and they remind us of how important it is to support and respect our State and local police.

Currently, more than 850,000 men and women who guard our communities do so at great risk. Each year, 1 in 15 officers is assaulted, 1 in 46 officers is injured,and 1 in 5,255 officers is killed in the line of duty in the United States every other day. After the hijacked planes hit the World Trade Center in New York City on September 11, 2001, 72 peace officers died while trying to ensure that their fellow citizens in those buildings got to safety. That act of terrorism resulted in the highest number of peace officers ever killed in a single incident in the history of this country.

In 2003, 146 enforcement officers died while serving in the line of duty, well below the decade-long average of 165 deaths annually, and a major drop from 2001 when a total of 237 officers were killed. A number of factors contributed to this reduction including better equipment and the increased use of bullet-resistant vests, improved training, longer prison terms for violent offenders, and advanced emergency medical care. And, in total, more than 17,100 men and women have made the ultimate sacrifice.

During the 108th Congress, we have improved the Department of Justice's Public Safety Officers Benefits (PSOB) program by making law the Hometown Heroes Survivors Benefits Act (Public Law 108–182), which allows survivors of public safety officers who suffer fatal heart attacks or strokes while participating in nonroutine stressful or strenuous physical activities to qualify for Federal survivor benefits. The Senate also passed the Campbell-Leahy Bulletproof Vest Partnership Grant Act (S. 764), which will extend through FY 2007 the authorization of appropriations for the Bulletproof Vest Partnership Grant Program that helps State, tribal and local jurisdictions purchase armor vests for use by law enforcement officers. The House has yet to act on this important measure that will continue our efforts to ensure that every police officer who needs a bulletproof vest gets one. This week, the Senate added to the gun liability bill by a vote of 91–8 the Campbell-Leahy Law Enforcement Officers Safety Act (S. 253). This measure would establish national measures of uniformity and consistency to permit trained and certified on-duty, off-duty or retired law enforcement officers to carry concealed firearms in most situations so that they may respond immediately to crimes across State and other jurisdictional lines, as well as to protect themselves and their families from vindictive criminals. The support for such bills that will keep our law enforcement officers is there, but we need to do more.

We Vermonters this National Peace Officers Memorial Day will remember our brave State Police Officer, SGT Michael Johnson, who was killed last Father's Day while trying to stop a suspect leading two other State troopers on a high-speed chase. Sergeant Johnson was not even on duty, but he went out nonetheless to help his fellow troopers that Sunday afternoon after hearing their trouble on his radio. He had just deployed a set of tire spikes across the interstate when the suspect swerved to avoid the spikes and struck him. Johnson left behind a beloved wife and three children, as well as hundreds of police officers who called him ''brother.'' Words seem insufficient to acclaim the brave sacrifice of the man

who was so admired by his family, community and the Vermont State Police force.

National Peace Officers Memorial Day will provide the people of the United States with the opportunity to honor the extraordinary service and sacrifice given year after year by our police forces. More than 15,000 peace officers are expected to gather in Washington to join with the families of their fallen comrades who, by their last full measure of devotion to their responsibilities and the right and security of their fellow citizens, have rendered a dedicated service to our Nation. I look forward to passage of this important resolution, a fitting tribute for this special and solemn occasion.

SENATE RESOLUTION 311—CALLING ON THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM TO IMMEDIATELY AND UNCONDITIONALLY RELEASE FATHER THADEUS NGUYEN VAN LY, AND FOR OTHER PURPOSES

Mr. BROWNBACK submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 311

Whereas, in February 2001, Father Thadeus Nguyen Van Ly, a Roman Catholic priest, was formally invited to testify before the United States Commission on International Religious Freedom but was denied permission to leave the Socialist Republic of Vietnam and thus, instead, submitted written testimony critical of the Government of Vietnam, which was read into the Commission record on February 13, 2001;

Whereas Father Ly's testimony before the Commission documents numerous specific actions of the Government of Vietnam against religious freedom that he classified as collectively being ''extremely cruel'' and requiring a ''non-violent and persistent campaign'' to achieve full religious freedom for all people in Vietnam;

Whereas Father Ly has been detained by the Government of Vietnam since February 2001, when the Government placed him under administrative detention, and, as a direct response to his testimony, branded him a traitor for ''slandering'' the Communist party and ''distorting'' the religious policy of the government;

Whereas the Government of Vietnam issued a second decree suspending Father Ly's ability to ''carry on any religious responsibility and functions'' and later formally removed Father Ly from his church, detained him, and denied him access to legal counsel;

Whereas, on October 19 2001, the Thua Thien Hue Provincial People's Court convicted Father Ly of all charges after a one-day, closed trial without the benefit of counsel and sentenced him to 2 years in prison for violating the terms of his administrative detention, 13 years in prison for, ''damaging the Government's unity policy,'' and 5 years of administrative probation upon release from prison;

Whereas, after pleas from United States Government officials and the world community, Father Ly's sentence was reduced by 5 years;

Whereas, in June 2001, Father Ly's nephews Nguyen Vu Viet, age 27, and Nguyen Truc Cuong, age 36, and his niece Nguyen Thi Hoa, age 44, were arrested for allegedly being in contact and receiving support from ''reactionary'' organizations in the United States concerning the religious situation in Vietnam and disseminating information concerning the detention of Father Ly;

Whereas after their cases generated much concern in Congress, Nguyen Thi Hoa, Nguyen Vu Viet, and Nguyen Truc Cuong all have been released;

Whereas, on November 27, 2003, the United Nations Working Group on Arbitrary Detention issued Opinion No. 20/2003 stating that ''the Group is convinced that [Father Ly] has been arrested and detained only for his opinions . . . [and] the deprivation of the liberty of Father Thadeus Nguyen Van Ly is arbitrary, as being in contravention of Article 19 of the Universal Declaration of Human Rights and of Article 19 of the International Covenant on Civil and Political Rights'';

Whereas Father Ly has been deprived of his basic human rights by being denied his ability to exercise freedom of opinion and expression; and

Whereas the arbitrary imprisonment and the violation of the human rights of citizens of Vietnam are sources of continuing, grave concern to the Congress: Now, therefore, be it

Resolved, That—

(1) the Senate—

(A) condemns and deplores the arbitrary detention of Father Thadeus Nguyen Van Ly by the Government of the Socialist Republic of Vietnam and calls for his immediate and unconditional release;

(B) condemns and deplores the violations of freedom of speech, religion, movement, association, and the lack of due process afforded to individuals in the Socialist Republic of Vietnam;

(C) strongly urges the Government of Vietnam to consider the implications of its actions for the broader relationship between the United States and Vietnam; and

(D) strongly urges the Government of Vietnam to consider the implications of its actions in the context of the United States-Vietnam Bilateral Trade Agreement, under which Vietnam currently receives Normal Trade Relations (NTR) status subject to chapter 1 of title IV of the Trade Act of 1974 (commonly known as the ''Jackson-Vanik Amendment''); and

(2) it is the sense of the Senate that the United States should—

(A) make the immediate release of Father Thadeus Nguyen Van Ly a top concern;

(B) make it clear to the Government of Vietnam that it is not in the Government's interest to detain Father Ly and others like him for political or religious reasons or to inflict human rights violations on such people or groups because such actions create obstacles to improved bilateral relations and cooperation with the United States; and

(C) reiterate the deep concern of the United States regarding the continued imprisonment of Father Ly and other persons whose human rights are being violated and discuss the legal status and immediate humanitarian needs of such people with the Government of Vietnam.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2676. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2677. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2678. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment 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.

SA 2679. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2680. Mr. MCCONNELL (for himself and Mr. FRIST) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, supra.

SA 2681. Mr. LEVIN (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2682. Mr. SMITH (for himself, Mrs. LINCOLN, Mr. BUNNING, Mr. WYDEN, Mr. SPECTER, Mr. BREAUX, and Mr. KOHL) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2683. Mr. SANTORUM (for himself, Mr. NELSON of Florida, and Mr. KYL) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2684. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2685. Mr. THOMAS (for Mr. MCCAIN (for himself and Mr. WARNER)) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, supra.

SA 2686. Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) proposed an amendment to the bill S. 1637, supra.

SA 2687. Mr. GRASSLEY (for Mr. BAYH (for himself, Mr. SANTORUM, Mr. BUNNING, Mr. GRASSLEY, Mr. BAUCUS, and Mr. DORGAN)) proposed an amendment to amendment SA 2686 proposed by Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) to the bill S. 1637, supra.

SA 2688. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2689. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2690. Mrs. FEINSTEIN (for herself, Mr. CONRAD, and Mrs. BOXER) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2691. Ms. SNOWE (for herself, Mr. LOTT, Mr. BREAUX, Mr. ALLEN, Mr. WARNER, Mrs. BOXER, Mr. BUNNING, Mr. COCHRAN, Ms. COLLINS, Mr. CHAFEE, Mr. DODD, Mrs. DOLE, Mrs. FEINSTEIN, Ms. LANDRIEU, and Mr. KOHL) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2676. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. INCREASE IN HISTORIC REHABILITATION CREDIT FOR CERTAIN LOW-INCOME HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 47 (relating to rehabilitation credit) is amended by adding at the end the following new subsection:

''(e) SPECIAL RULE REGARDING CERTAIN HISTORIC STRUCTURES.—In the case of any qualified rehabilitation expenditure with respect to any certified historic structure—

''(1) which is placed in service after the date of the enactment of this subsection,

''(2) which is part of a qualified low-income building with respect to which a credit under section 42 is allowed, and

''(3) substantially all of the residential rental units of which are used for tenants who have attained the age of 65,

subsection (a)(2) shall be applied by substituting '25 percent' for '20 percent'.''.

(b) APPLICATION OF MACRS.—The Internal Revenue Code of 1986 shall be applied and administered as if paragraph (4)(X) of section 251(d) of the Tax Reform Act of 1986 as applied to the amendments made by section 201 of such Act had not been enacted with respect to any property described in such paragraph and placed in service after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SA 2677. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. . NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by redesignating sections 45E and 45F as sections 45F and 45G, respectively, and by inserting after section 45E the following new section:

''SEC. 45D. NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the Native American new markets tax credit determined under this section for such taxable year is an amount equal to the applicable percentage of the amount paid to the reservation development entity for such investment at its original issue.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

''(A) 5 percent with respect to the first 3 credit allowance dates, and

''(B) 6 percent with respect to the remainder of the credit allowance dates.

''(3) CREDIT ALLOWANCE DATE.—For purposes of paragraph (1), the term 'credit allowance date' means, with respect to any qualified equity investment—

''(A) the date on which such investment is initially made, and

''(B) each of the 6 anniversary dates of such date thereafter.

''(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a reservation development entity if—

''(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

''(B) substantially all of such cash is used by the reservation development entity to make qualified low-income reservation investments, and

''(C) such investment is designated for purposes of this section by the reservation development entity.

Such term shall not include any equity investment issued by a reservation development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

''(2) LIMITATION.—The maximum amount of equity investments issued by a reservation development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

''(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the reservation development entity are invested in qualified low-income reservation investments.

''(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

''(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

''(6) EQUITY INVESTMENT.—The term 'equity investment' means—

''(A) any stock (other than nonqualified preferred stock as defined in section 351(g)(2)) in an entity which is a corporation, and

''(B) any capital interest in an entity which is a partnership.

''(c) RESERVATION DEVELOPMENT ENTITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'reservation development entity' means any domestic corporation or partnership if—

''(A) the primary mission of the entity is serving, or providing investment capital for, low-income reservations,

''(B) the entity maintains accountability to residents of low-income reservations through their representation on any governing board of the entity or on any advisory board to the entity, and

''(C) the entity is certified by the Secretary for purposes of this section as being a reservation development entity.

''(2) EXCEPTION.—For purposes of subparagraph (C) of paragraph (1), the Secretary shall not certify an entity as a reservation development entity if such entity is also certified as a qualified community development entity under section 45D(c).

''(d) QUALIFIED LOW-INCOME RESERVATION INVESTMENTS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified low-income reservation investment' means—

''(A) any capital or equity investment in, or loan to, any qualified active low-income reservation business,

''(B) the purchase from another reservation development entity of any loan made by such entity which is a qualified low-income reservation investment,

''(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income reservations, and

''(D) any equity investment in, or loan to, any reservation development entity.

''(2) QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified active low-income reservation business' means, with respect to any taxable year, any corporation (including a nonprofit corporation) or partnership if for such year—

''(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income reservation,

''(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income reservation,

''(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income reservation,

''(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

''(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397C(e)).

''(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

''(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—The term 'qualified active low-income reservation business' includes any trades or businesses which would qualify as a qualified active low-income reservation business if such trades or businesses were separately incorporated.

''(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 45D(d)(3).

''(e) LOW-INCOME RESERVATION.—For purposes of this section, the term 'low-income reservation' means any Indian reservation (as defined in section 168(j)(6)) which has a poverty rate of at least 40 percent.

''(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

''(1) IN GENERAL.—There is a Native American new markets tax credit limitation of $50,000,000 for each of calendar years 2004 through 2007.

''(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated

by the Secretary among reservation development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to any entity—

''(A) with a record of having successfully provided capital or technical assistance to disadvantaged businesses or communities, or

''(B) which intends to satisfy the requirement under subsection (b)(1)(B) by making qualified low-income reservation investments in 1 or more businesses in which persons unrelated to such entity (within the meaning of section 267(b) or 707(b)(1)) hold the majority equity interest.

''(3) CARRYOVER OF UNUSED LIMITATION.—If the Native American new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2014.

''(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

''(1) IN GENERAL.—If, at any time during the 7-year period beginning on the date of the original issue of a qualified equity investment in a reservation development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

''(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

''(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

''(B) interest at the underpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

''(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a reservation development entity if—

''(A) such entity ceases to be a reservation development entity,

''(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

''(C) such investment is redeemed by such entity.

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

''(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment. This subsection shall not apply for purposes of sections 1202, 1400B, and 1400F.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

''(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal tax benefits (including the credit under section 42 and the exclusion from gross income under section 103),

''(2) which prevent the abuse of the purposes of this section,

''(3) which provide rules for determining whether the requirement of subsection (b)(1)(B) is treated as met,

''(4) which impose appropriate reporting requirements, and

''(5) which apply the provisions of this section to newly formed entities.''.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 is amended by redesignating paragraphs (14) and (15) as paragraphs (15) and (16), respectively, and by inserting after paragraph (13) the following new paragraph:

''(14) the Native American new markets tax credit determined under section 45E(a),''.

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

''(10) NO CARRYBACK OF NATIVE AMERICAN NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2004.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2004.''.

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by redesignating paragraph (10) as paragraph (11), by striking ''and'' at the end of paragraph (9), and by inserting after paragraph (9) the following new paragraph:

''(10) the Native American new markets tax credit determined under section 45E(a), and''.

(d) CONFORMING AMENDMENTS.—

(1) Section 38(b)(15), as redesignated by subsection (b)(1), is amended—

(A) by striking ''45E(c)'' and inserting ''45F(c)'', and

(B) by striking ''45E(a)'' and inserting ''45F(a)''.

(2) Section 38(b)(16), as redesignated by subsection (b)(1), is amended by striking ''45F(a)'' and inserting ''45G(a)''.

(3) Section 39(d)(11), as redesignated by subsection (b)(2), is amended by striking ''section 45E'' and inserting ''section 45F''.

(4) Section 196(c)(11), as redesignated by subsection (c), is amended by striking ''45E(a)'' and inserting ''45F(a)''.

(5) Section 1016(a)(28) is amended—

(A) by striking ''under section 45F'' and inserting ''under section 45G'', and

(B) by striking ''section 45F(f)(1)'' and inserting ''section 45G(f)(1)''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by striking the items relating to sections 45E and 45F and inserting the following:

''Sec. 45E. Native American new markets tax credit.

''Sec. 45F. Small employer pension plan startup costs.

''Sec. 45G. Employer-provided child care credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2003.

(f) GUIDANCE ON ALLOCATION OF NATIONAL LIMITATION.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate shall issue guidance which specifies—

(1) how entities shall apply for an allocation under section 45E(f)(2) of the Internal Revenue Code of 1986, as added by this section;

(2) the competitive procedure through which such allocations are made; and

(3) the actions that such Secretary or delegate shall take to ensure that such allocations are properly made to appropriate entities.

(g) AUDIT AND REPORT.—Not later than January 31 of 2007 and 2010, the Comptroller General of the United States shall, pursuant to an audit of the Native American new markets tax credit program established under section 45E of the Internal Revenue Code of 1986 (as added by subsection (a)), report to Congress on such program, including all reservation development entities that receive an allocation under the Native American new markets credit under such section.

(f) GRANTS IN COORDINATION WITH CREDIT.—

(1) IN GENERAL.—The Secretary of the Treasury is authorized to award a grant of not more than $1,000,000 to the First Nations Oweesta Corporation.

(2) USE OF FUNDS.—The grant awarded under paragraph (1) may be used—

(A) to enhance the capacity of people living on low-income reservations (within the meaning of section 45E(e) of the Internal Revenue Code of 1986, as added by this section) to access, apply, control, create, leverage, utilize, and retain the financial benefits to such low-income reservations which are attributable to qualified low-income reservation investments (within the meaning of section 45E(d) of such Code), and

(B) to provide access to appropriate financial capital for the development of such low-income reservations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal years 2004 through 2014 to carry out the provisions of this subsection.

SA 2678. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment 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; as follows:

In the table following section 1001(b), strike the following headings:

9902.30.90
9902.29.46
9902.30.31
9902.32.14
9902.32.30
9902.32.16
9902.31.14
9902.31.13
9902.30.16
9902.29.23

Strike section 1111 and insert the following:

SEC. 1111. REACTIVE ORANGE 132.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.11	Reactive orange 132 (benzenesulfonic acid, 2,2′-[(1-methyl-1,2-ethanediyl)-bis[imino(6-fluoro-1,3,5-triazine-4,2-diyl)imino[2-[(aminocarbon-yl)-amino)]-4,1-phenylene]azo]]bis[5-[(4-sulfophenyl)azo]-, sodium salt) (CAS No. 149850–31–7) (provided for in subheading 3204.16.30)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1121 and insert the following:

SEC. 1121. PYRACLOSTROBIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.21	Methyl N-(2-[[1-(4-chlorophenyl)-1H-pyrazol-3-yl]oxymethyl]-phenyl)-N-methoxycarbanate (pyra-clostrobin) (CAS No. 175013–18–0) (provided for in subheading 2933.19.23)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1124.

Strike section 1131 and insert the following:

SEC. 1131. MIXTURES OF TRIBENURON METHYL AND APPLICATION ADJUVANTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.31	Mixtures of tribenuron methyl (methyl 2-[[[[(4- methoxy-6- methyl-1,3,5- triazin- 2-yl)methyl- amino]- carbonyl] amino]-sulfonyl]ben-zoate) (CAS No. 101200–48–0) and application adjuvants (provided for in subheading 3808.30.15).	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1146 and insert the following:

SEC. 1146. AVAUNT AND STEWARD.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.46	Mixtures of indoxacarb ((S)-methyl 7-chloro-2,5-dihydro-2-[[(methoxycarbonyl)[4-(trifluoromethoxy)-phenyl]amino]car-bonyl]indeno- [1,2-e][1,3,4]- oxadiazine-4*a*- (3H)carboxylate) (CAS No. 173584–44–6) and application adjuvants (provided for in subheading 3808.10.25)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1154 and insert the following:

SEC. 1154. (Z)-(1RS, 3RS)-3-(2-CHLORO-3,3,3 TRIFLOURO-1-PROPENYL)-2,2-DIMETHYL-CYCLOPROPANE CARBOXYLIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.55	(Z)-(1RS,3RS)-3-(2-Chloro-3,3,3-trifluro-1-pro- penyl)-2,2-dimethyl-cyclopropanecarboxylic acid (CAS No. 68127–59–3) (provided for in subheading 2916.20.50)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1164 and insert the following:

SEC. 1164. P-CRESIDINESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.65	p-Cresidinesulfonic acid (4-amino-5-methoxy-2-methylbenzene- sulfonic acid) (CAS No. 6471–78–9) (provided for in subheading 2922.29.80)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1167 and insert the following:

SEC. 1167. N-ETHYL-N-(3-SULFOBENZYL)ANILINE, BENZENESULFONIC ACID, 3[(ETHYLPHENYLAMINO)METHYL].

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.68	N-Ethyl-N-(3-sulfobenzyl)aniline (benzenesulfonic acid, 3-[(ethyl- phenylamino)-methyl]-) (CAS No. 101–11–1) (provided for in subheading 2921.42.90)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1174 and insert the following:

SEC. 1174. ACID BLACK 172.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.75	Acid black 172 (chromate(3-), bis[3-(hydroxy-.kappa.O)-4-[[2-(hydroxy.kappa.O)-1-naphthalenyl-azo- .kappa.N1]-7-nitro-1- naphthalenesulfonato(3-)]-, trisodium) (CAS No. 57693–14–8) (provided for in subheading 3204.12.45)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1213 and insert the following:

SEC. 1213. CERTAIN RUBBER RIDING BOOTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.02.17	Boots with outer soles and uppers of rubber, such boots extending above the ankle but below the knee, specifically designed for horseback riding, and having a spur rest on the heel counter (provided for in subheading 6401.92.90)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1215 and insert the following:

SEC. 1215. CHEMICAL NR ETHANOL-BASED.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.02.19	Chemical NR ethanol-based (iron toluene sulfonate) (comprising 60 percent ethanol (CAS No. 64–17–5), 33 percent p-toluenesulfonic acid (CAS No. 6192–52–5), and 7 percent ferric oxide (CAS No. 1309–37–1)) (provided for in subheading 2912.12.00 or 3824.90.28)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1222 and insert the following:

SEC. 1222. THERMAL RELEASE PLASTIC FILM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.02.26	Thermal release plastic film (with a substrate of polyolefin-based PET/conductive acrylic polymer, release liner of polyethylene terephthalate PET/polysiloxane, pressure sensitive adhesive of acrylic ester-based copolymer, and core of acrylonitrile-butadiene-styrene copolymer) (provided for in subheading 3919.10.20)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1225 and insert the following:

SEC. 1225. OBPA.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.02.29	10,10′- Oxybisphenoxarsine (CAS No. 58–36–6) (provided for in subheading 2934.99.18)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1231 and insert the following:

SEC. 1231. 3-[(4 AMINO-3-METHOXYPHENYL) AZO]-BENZENE SULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.02.35	3-[(Amino-3-methoxyphenyl)-azo]-benzenesulfonic acid (CAS No. 138–28–3) (provided for in subheading 2927.00.50)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1247 and insert the following:

SEC. 1247. IMIDACLOPRID PESTICIDES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.02.52	Mixtures of imidacloprid (1-[(6-Chloro-3-pyridinyl)-methyl]-*N*-nitro-2-imidazolidini- mine) (CAS No. 138261–41–3) with application adjuvants (provided for in subheading 3808.10.25)	5.7%	No change	No change	On or before 12/31/2005	’’.

Strike section 1290 and insert the following:

SEC. 1290. NECKS USED IN CATHODE RAY TUBES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.02.97	Necks of a kind used in cathode ray tubes (provided for in subheading 7011.20.80)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1302 and insert the following:

SEC. 1302. MAGENTA 364.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.03.10	5-[4-(4,5-Dimethyl-2-sulfo-phenylamino)-6-hydroxy-[1,3,5]triazin-2-ylamino]-4-hydroxy-3-(1-sulfonaphthalen-2-ylazo)naph- thalene-2,7-disulfonic acid, sodium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1303 and insert the following:

SEC. 1303. THIAMETHOXAM TECHNICAL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.03.11	Thiamethoxam (3-[(2-chloro-5-thiazolyl)methyl)-tetrahydro-5-methyl-N-nitro-1,3,5-oxadiazin-4-imine) (CAS No. 153719–23–4) (provided for in subheading 2934.10.90)	2.6%	No change	No change	On or before 12/31/2004	’’.

(b) CALENDAR YEAR 2005.—

(1) IN GENERAL.—Heading 9902.03.11, as added by subsection (a), is amended—

(A) by striking ‘‘2.6%’’ and inserting ‘‘2.54%’’; and

(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2005’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

(c) CALENDAR YEAR 2006.—

(1) IN GENERAL.—Heading 9902.03.11, as added by subsection (a) and amended by this section, is further amended—

(A) by striking ‘‘2.54%’’ and inserting ‘‘3.2%’’; and

(B) by striking ‘‘On or before 12/31/2005’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

Strike section 1309 and insert the following:

SEC. 1309. PRODIAMINE TECHNICAL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.19	Prodiamine (2,6-dinitro-N1,N1-dipropyl-4-(trifluoromethyl)-1,3-benzene-diamine (CAS No. 29091–21–2) (provided for in subheading 2921.59.80)	0.53%	No change	No change	On or before 12/31/2004	”.

(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.03.19, as added by subsection (a), is amended—

(A) by striking ‘‘0.53%’’ and inserting ‘‘Free’’; and

(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

The article description for heading 9902.03.19, as added by section 1311, is amended by striking ‘‘(provided for in subheading 3824.90.28)’’ and inserting ‘‘(provided for in subheading 3824.90.40)’’.

Strike section 1327 and insert the following:

SEC. 1327. MAGENTA 364 LIQUID FEED.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.39	5-[4-(4,5-Dimethyl-2-sulfo- phenylamino)-6-hydroxy-[1,3,5]triazin-2-ylamino]-4-hydroxy-3-(1-sulfonaphthalen-2-ylazo)naph- thalene-2,7-disulfonic acid, sodium ammonium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1334 and insert the following:

SEC. 1334. DIRECT BLACK 175.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.56	Cuprate(4-), [m-[5-[(4,5-dihydro-3-methyl-5-oxo- 1-phenyl-1H-pyrazol-4-yl)azo]-3-[[4′-[[3,6-disulfo-2-hydroxy.kappa.O-1-naphthal- enyl]azo-.kappa.N1]-3,3′-di(hydroxy-.kappa.O)[1,1′-biphenyl]-4-yl]azo-.kappa.N1]-4-(hydroxy-.kappa.O)-2,7-naphtha- lenedisulf-onato(8-)]]di-, tetrasodium (direct black 175) (CAS No. 66256–76–6) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1336 and insert the following:

SEC. 1336. ACID BLACK 132.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.59	[3-(Hydroxy-.kappa.O)-4-[[2-(hydroxy-.kappa.O)-1-naphthalenyl]azo-.kappa.N1]-1-naphthal-enesulfonato (3-)]-[1-[[2-(hydroxy-.kappa.O)-5-[(2-methoxyphenyl]-azophenyl]-azo-.kappa.N1]-2-naphthalenolato (2-).kappa.O]-, disodium (acid black 132) (CAS No. 27425–58–7) (provided for in subheading 3204.12.20)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1337 and insert the following:

SEC. 1337. ACID BLACK 107.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.61	Chromate(2-), [1-[[2-(hydroxy.kappa.O)-3,5-dinitro- phenyl]azo-.kappa.N1]-2-naphthal-enolato(2-)-.kappa.O][3-(hydroxy-.kappa.O)4-[[2 (hydroxy-.kappa.O)-1-naphthalenyl]-azo.kappa.N1]-7- nitro-1-naphthalenesulfonato(3-)]-, sodium hydrogen (acid black 107) (CAS No. 12218–96–1) (provided for in subheading 3204.12.45)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1338 and insert the following:

SEC. 1338. ACID YELLOW 219, ACID ORANGE 152, ACID RED 278, ACID ORANGE 116, ACID ORANGE 156, AND ACID BLUE 113.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

“	9902.03.62	Benzenesulfonic acid, 3-[[3-methoxy-4-[(4-methoxyphenyl)- azo]phenyl]azo]-, sodium salt (acid yellow 219) (CAS No. 71819–57–3) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.63	Benzenesulfonic acid, 3-[[4-[[4-(2-hydroxybut-oxy)phenyl]azo]-5-methoxy-2-methyl- phenyl]azo]-, monolithium salt (acid orange 152) (CAS No. 71838–37–4) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.64	Chromate(1-), bis[3-[4-[[5-chloro-2-(hydroxy.kappa.O)- phenyl]azo-.kappa.N1]-4,5-dihydro-3-methyl-5-(oxo-.kappa.O)-1H-pyrazol-1-yl]benzenesul- fonamidato(2-)]-, sodium (acid red 278) (CAS No. 71819–56–2) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.65	Benzenesulfonic acid, 3-[[4-[(2-ethoxy-5-methylphenyl)- azo]-1-naphthal- enyl]azo]-, sodium salt (acid orange 116) (CAS No. 12220–10–9) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.66	Benzenesulfonic acid, 4-[[5-meth- oxy-4-[(4-methoxy- phenyl)azo]-2-methyl- phenyl]azo]-, sodium salt (acid orange 156) (CAS No. 68555–86–2) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.67	1-Naphthalene- sulfonic acid, 8-(phenylamino)-5-[[4-[(3- sulfophenyl)- azo]-1- naphthalenyl]-azo]-, disodium salt (acid blue 113) (CAS No. 3351–05–1) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1339.

Strike section 1344 and insert the following:

SEC. 1344. C 12–18 ALKENES, POLYMERS WITH 4-METHYL-1-PENTENE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.86	C 12–18 alkenes, polymers with 4-methyl-1-pentene (CAS No. 68413–03–6) (provided for in subheading 3902.90.00)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1370 and insert the following:

SEC. 1370. FAST YELLOW 2 STAGE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.04.19	1,3-Benzenedicarboxylic acid, 5,5′- [[6-(4-morpholinyl)-1,3,5-triazine-2,4-diyl]bis(imino-4,1-phenyleneazo)]bis-, ammonium/sodium/hydrogen salt (direct yellow 173) (provided for in subheading 3204.14.30.).	Free	No change	No change	On or before 12/31/2005	’’

Strike section 1373 and insert the following:

SEC. 1373. YELLOW 746 STAGE.

Subchapter II of chapter 99 of is amended by inserting in numerical sequence the following new heading:

‘‘	9902.04.26	1,3-Bipyridirium, 3-carboxy-5′-[(2-carboxy-4-sulfophenyl)azo]-1′,2′-dihydro-6′-hydroxy-4′-methyl-2′-oxo-, inner salt, lithium/sodium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1377 and insert the following:

SEC. 1377. CYAN 485/4 STAGE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.04.30	Copper, [29H,31H-phthalo-cyaninato(2-)-xN29,xN30,xN31,xN32]-aminosulfonyl-[(2-hydroxy-ethyl)amino]-sulfonylsulfo derivatives, sodium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	’’.

Strike section 1380 and insert the following:

SEC. 1380. TRIFLUSULFURON METHYL FORMULATED PRODUCT.

(a) CALENDAR YEARS 2004 AND 2005.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.05.01	Mixtures of methyl 2-[[[[[4-(dimethylamino)- 6-(2,2,2-trifluoroethoxy)-1,3,5-triazin-2-yl]-amino]carbonyl]- amino]sulfonyl]-3-methylbenzoate (CAS No. 126535–15–7) and application adjuvants (provided for in subheading 3808.30.15)	1%	No change	No change	On or before 12/31/2005	’’.

(b) CALENDAR YEAR 2006.—

(1) IN GENERAL.—Heading 9902.05.01, as added by subsection (a), is amended—

(A) by striking ‘‘1%’’ and inserting ‘‘Free’’; and

(B) by striking ‘‘On or before 12/31/2005’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

Strike section 1388 and insert the following:

SEC. 1388. DICHLOROBENZIDINE DIHYDROCHLORIDE.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.03.28	3,3′-Dichlorobenzi-dine dihydrochloride (CAS No. 612–83–9) (provided for in subheading 2921.59.80)	6.3% + 0.2 cents/kg	No change	No change	On or before 12/31/2004	’’.

(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.03.28, as added by subsection (a), is amended—

(A) by striking ‘‘6.3% + 0.2 cents/kg’’ and inserting ‘‘5.1%’’; and

(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

Strike section 1389 and insert the following:

SEC. 1389. KRESOXIM-METHYL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.03.78	Methyl (E)- methoxyimino- [alpha-(o-tolyloxy)-o-tolyl]- acetate (kresoxim methyl) (CAS No. 143390–89–0) (provided for in subheading 2925.20.60)	3.3%	No change	Free	On or before 12/31/2004	’’.

(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.03.78, as added by subsection (a), is amended—

(A) by striking ‘‘3.3%’’ and inserting ‘‘2.4%’’; and

(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

Strike sections 1392, 1393, and 1394 and insert the following:

SEC. 1392. BENZENEPROPANAL, 4-(1,1-DIMETHYLETHYL)-ALPHA-METHYL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.05.08	Benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl- (CAS No. 80–54–6) (provided for in subheading 2912.29.60)	2.3%	No change	Free	On or before 12/31/2004	’’.

(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.05.08, as added by subsection (a), is amended—

(A) by striking ‘‘2.3%’’ and inserting ‘‘1.7%’’; and

(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

SEC. 1393. 3,7-DICHLORO-8-QUINOLINE CARBOXYLIC ACID.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.05.09	3,7-Dichloro-8-quinolinecarb-oxylic acid (quinclorac) (CAS No. 84087–01–4) (provided for in subheading 2933.49.30)	3.9%	No change	Free	On or before 12/31/2004	’’.

(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.05.09, as added by subsection (a), is amended—

(A) by striking ‘‘3.9%’’ and inserting ‘‘3.3%’’; and

(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2006’’.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

SEC. 1394. 3-(1-METHYLETHYL)-1H-2,1,3-BENZOTHIADIAZIN-4(3H)-ONE 2,2 DIOXIDE, SODIUM SALT.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.10	3-(1-Methyl- ethyl)-1H-2,1,3-benzothiadiazin-4(3H)-one-2,2-dioxide, sodium salt (bentazon, sodium salt) (CAS No. 50723–80–3) (provided for in subheading 2934.99.15)	1.8%	No change	Free	On or before 12/31/2004	”.

(b) CALENDAR YEARS 2005 AND 2006.—
(1) IN GENERAL.—Heading 9902.05.10, as added by subsection (a), is amended—
(A) by striking ‘‘1.8%’’ and inserting ‘‘2.6%’’; and
(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2006’’.
(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

Strike section 1396 and insert the following:

SEC. 1396. ORYZALIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.16	Oryzalin (benzenesulfonamide, 4-(dipropylamino)-3,5-dinitro-) (CAS No. 19044–88–3) (provided for in subheading 2935.00.95)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1409 and insert the following:

SEC. 1409. CERTAIN R-CORE TRANSFORMERS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.85.04	120 volt/60 Hz electrical transformers (the foregoing and parts thereof provided for in subheading 8504.31.40 or 8504.90.95), with dimensions not exceeding 88 mm by 88 mm by 72 mm but at least 82 mm by 69 mm by 43 mm and each containing a layered and uncut round core with two balanced bobbins, the foregoing rated as less than 40 VA but greater than 32.2 VA with a rating number of R25	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1411 and insert the following:

SEC. 1411. BISPYRIBAC SODIUM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.20	Sodium 2,6-bis[(4,6-dimethoxypyrimidin-2-yl)oxy]benzoate (Bispyribac-sodium) (CAS No. 125401–92–5) (provided for in subheading 2933.59.10)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1414 and insert the following:

SEC. 1414. UNICONAZOLE-P.

Subchapter II is amended by inserting in numerical sequence the following new heading:

“	9902.05.23	(E)-(+)-(S)-1-(4-Chlorophenyl)-4,4-dimethyl-2-(1,2,4-triazol-1-yl)-pent-1-ene-3-ol (Uniconazole) (CAS No. 83657–22–1), mixed with application adjuvants (provided for in subheading 3808.30.15)	Free	No change	No change	On or before 12/31/2005	”.

Strike section 1417 and insert the following:

SEC. 1417. 2,4-XYLIDINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.26	2,4-Xylidine (CAS No. 95–68–1) (provided for in subheading 2921.49.10)	Free	No change	No change	On or before 12/31/2005	”.

Strike sections 1419 and 1420, and insert the following:

SEC. 1419. NMSBA.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.29.82	4-(Methylsulfonyl)-2-nitrobenzoic acid (CAS No. 110964–79–9) (provided for in subheading 2916.39.45)	0.28%	No change	No change	On or before 12/31/2004	”.

(b) CALENDAR YEAR 2005.—
(1) IN GENERAL.—Heading 9902.29.82, as added by subsection (a), is amended—
(A) by striking ‘‘0.28%’’ and inserting ‘‘0.16%’’; and
(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2005’’.
(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.
(c) CALENDAR YEARS 2006 THROUGH 2008.—
(1) IN GENERAL.—Heading 9902.29.82, as added by subsection (a) and amended by subsection (b), is further amended—
(A) by striking ‘‘0.16%’’ and inserting ‘‘1.1%’’; and
(B) by striking ‘‘On or before 12/31/2005’’ and inserting ‘‘On or before 12/31/2008’’.
(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

SEC. 1420. CERTAIN SATELLITE RADIO BROADCASTING APPARATUS.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.04.35	Reception apparatus for satellite radio broadcasting, other than satellite radio broadcast receivers described in subheading 8527.21.40 (provided in subheading 8527.90.95)	5.2%	No change	No change	On or before 12/31/2004	”.

(b) CALENDAR YEAR 2005.—
(1) IN GENERAL.—Heading 9902.04.35, as added by subsection (a), is amended—
(A) by striking ‘‘5.2%’’ and inserting ‘‘5.4%’’; and
(B) by striking ‘‘On or before 12/31/2004’’ and inserting ‘‘On or before 12/31/2005’’.
(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.
(c) CALENDAR YEAR 2006.—
(1) IN GENERAL.—Heading 9902.04.35, as added by subsection (a) and amended by this section, is further amended—
(A) by striking ‘‘5.4%’’ and inserting ‘‘5.5%’’; and
(B) by striking ‘‘On or before 12/31/2005’’ and inserting ‘‘On or before 12/31/2006’’.
(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

On page 137, between lines 3 and 4, insert the following:

SEC. 1421. ACEPHATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"	9902.30.60	O,S-Dimethyl acetylphosphoramidothioate (Acephate) (CAS No. 30560–19–1) (provided for in subheading 2930.90.44)	Free	No change	No change	On or before 12/31/2005	".

SEC. 1422. BAGS FOR CERTAIN TOYS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"	9902.01.78	Bags (provided for in subheading 4202.92.45) for transporting, storing, or protecting goods of headings 9502–9504, inclusive, imported and sold with such articles therein	Free	No change	No change	On or before 12/31/2005	".

On page 137, line 10, strike ''12/31/05'' and insert ''12/31/06''.

On page 144, strike lines 3 through 4.

On page 144, strike lines 5 through 7.

On page 144, line 8, strike ''(81)'' and insert ''(79)''.

On page 144, between lines 9 and 10, insert the following:

(80) Heading 9902.32.49 (relating to 11-aminoundecanoic acid).

On page 144, line 17, strike ''12/21/05'' and insert ''12/31/06''.

On page 144, line 24, strike ''12/21/05'' and insert ''12/31/06''.

On page 145, line 7, strike ''12/21/05'' and insert ''12/31/06''.

On page 145, line 19, strike ''12/21/05'' and insert ''12/31/06''.

On page 146, line 17, strike ''12/21/05'' and insert ''12/31/06''.

On page 146, line 24, strike ''12/21/05'' and insert ''12/31/06''.

On page 147, line 6, strike ''12/21/05'' and insert ''12/31/06''.

On page 147, between lines 14 and 15, insert the following:

(11) CERTAIN RAILWAY CARS.—Heading 9902.86.07 is amended—

(A) in the article description, by striking ''138'' and inserting ''up to 150 passengers,''; and

(B) in the effective period column, by striking the date contained therein and inserting ''12/31/2006''.

(12) OTHER RAILWAY CARS.—Heading 9902.86.08 is amended—

(A) in the article description, by striking ''148'' and inserting ''140''; and

(B) in the effective period column, by striking the date and inserting ''12/31/2006''.

Strike section 1401.

On page 147, line 19, strike ''2003'' and insert ''2004''.

On page 224, before line 1, insert the following:

SEC. 1636. CERTAIN RAILWAY PASSENGER COACHES.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon proper request filed with the United States Customs Service within 180 days after the date of enactment of this Act, the Customs Service shall liquidate or reliquidate the entry described in subsection (c) as free of duty.

(b) REFUND OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to a request for a liquidation or reliquidation of the entry under subsection (a) shall be refunded with interest within 180 days after the date on which request is made.

(c) AFFECTED ENTRY.—The entry referred to in subsection (a) is the entry on July 12, 2002, of railway passenger coaches (provided for in subheading 8605.00.00) (Entry number 2210888343–4).

Strike section 2002 and insert the following:

SEC. 2002. ARTICLES ELIGIBLE FOR PREFERENTIAL TREATMENT UNDER THE ANDEAN TRADE PREFERENCE ACT.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to subsection (c)—

(1) the entry of any article described in section 204(b)(1)(D) of the Andean Trade Preference Act (as amended by section 3103(a)(2) of the Trade Act of 2002) for which the President proclaims duty free treatment pursuant to section 204(b)(1) of such Act shall be subject to the rate of duty applicable on August 5, 2002, until such time as the President proclaims duty free treatment for such article; and

(2) such entries shall be liquidated or reliquidated as if the reduced duty preferential treatment applied, and the Secretary of the Treasury shall refund any excess duties paid with respect to such entry.

(b) ENTRY.—As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(c) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, and such request contains sufficient information to enable the Customs Service—

(1) to locate the entry; or

(2) to reconstruct the entry if it cannot be located.

On page 257, strike lines 18 through 21 and insert the following:

(d) TARIFF ACT OF 1930.—Section 505(a) of the Tariff Act of 1930 is amended—

(1) in the first sentence—

(A) by inserting ''referred to in this subsection'' after ''periodic payment''; and

(B) by striking ''10 working days'' and inserting ''12 working days''; and

(2) in the second sentence, by striking ''a participating'' and all that follows through the end of the sentence and inserting the following: ''the Secretary shall promulgate regulations permitting a participating importer of record to deposit estimated duties and fees for entries of merchandise, other than merchandise entered for warehouse, transportation, or under bond, no later than the 15 working days following the month in which the merchandise is entered or released, whichever comes first.''.

On page 258, between lines 20 and 21, insert the following:

(g) LIMITATION ON CUSTOMS USER FEES.

(1) Section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)) is amended by striking ''less than $2,000'' and inserting ''$2,000 or less''.

(2) Section 13031(b)(9)(A)(ii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)(ii)) is amended to read as follows:

''(ii) Notwithstanding subsection (e)(6) and subject to the provisions of subparagraph (B), in the case of an express consignment carrier facility or centralized hub facility—

''(I) $.66 per individual airway bill or bill of lading; and

''(II) if the merchandise is formally entered, the fee provided for in subsection (a)(9), if applicable.''.

(3) Section 13031(b)(9)(B)(ii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(B)(ii)) is amended by striking ''subparagraph (A)(ii)'' and inserting ''subparagraph (A)(ii) (I) or (II)''.

(h) DEFINITION OF FABRIC.—Section 112(e) of the African Growth and Opportunity Act (19 U.S.C. 3721(e)) is amended by adding at the end the following:

''(4) FABRIC.—The term 'fabric' includes knit fabric components formed as components other than components considered as major parts.''.

(i) LABELING REQUIREMENTS.—

(1) IN GENERAL.—Section 4(b) of the Textile Fiber Identification Act (15 U.S.C. 70b) is amended by adding at the end the following new subsection:

''(k) MARKING OF CERTAIN SOCK PRODUCTS.—

''(1) Notwithstanding any other provision of law, socks provided for in subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall be marked as legibly, indelibly, and permanently as the nature of the article or package will permit in such a manner as to indicate to the ultimate consumer in the United States the English name of the country of origin of the article. The marking required by this subsection shall be on the front of the package, adjacent to the size designation of the product, and shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the ultimate consumer.

''(2) EXCEPTIONS.—Any package that contains several different types of goods and includes socks classified under subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall not be subject to the requirements of paragraph (1).''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date that is 15 months after the date of enactment of this Act, and on and after the date that is 15 months after such date of enactment, any provision of part 303 of title 16 of the Code of Federal Regulation that is inconsistent with such amendment shall not apply.

(j) ENTRIES OF CERTAIN APPAREL ARTICLES PURSUANT TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT OR THE AFRICAN GROWTH AND OPPORTUNITY ACT.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the Customs Service shall liquidate or reliquidate as free of duty and free of any quantitative restrictions, limitations, or consultation levels entries of articles described in paragraph (4) made on or after October 1, 2000.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry described in paragraph (4) only if a request therefor is filed with the Customs Service within 90 days after the date of the enactment of this Act and the request contains sufficient information to enable the Customs Service to locate the entry or reconstruct the entry if it cannot be located.

(3) PAYMENT OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to the liquidation or reliquidation of any entry under paragraph (1) shall be paid not later than 180 days after the date of such liquidation or reliquidation.

(4) ENTRIES.—The entries referred to in paragraph (1) are—

(A) entries of apparel articles (other than socks classifiable under heading 6111 or 6115 of the Harmonized Tariff Schedule of the United States) that meet the requirements of section 213(b)(2)(A) of the Caribbean Basin Economic Recovery Act (as amended by section 3107(a) of the Trade Act of 2002 and section 2004(c) of this Act); and

(B) entries of apparel articles that meet the requirements of section 112(b) of the African Growth and Opportunity Act (as amended by section 3108 of the Trade Act of 2002 and section 2004(b) of this Act).

(k) EXTENSION OF INDUSTRY TRADE ADVISORY COMMITTEES.—

(1) IN GENERAL.—Section 135(f)(2) of the Trade Act of 1974 (19 U.S.C. 2155(f)(2)) is amended to read as follows:

''(2) to all other advisory committees which may be established under subsection (c) of this section, except that—

''(A) the meetings of advisory committees established under subsections (b) and (c) of this section shall be exempt from the requirements of subsections (a) and (b) of sections 10 and 11 of the Federal Advisory Committee Act (relating to open meetings, public notice, public participation, and public availability of documents), whenever and to the extent it is determined by the President or the President's designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the development by the United States Government of trade policy, priorities, negotiating objectives, or bargaining positions with respect to matters referred to in subsection (a) of this section, and that meetings may be called of such special task forces, plenary meetings of chairmen, or other such groups made up of members of the committees established under subsections (b) and (c) of this section; and

''(B) notwithstanding subsection (a)(2) of section 14 of the Federal Advisory Committee Act, any committee established under subsection (b) or (c) may, in the discretion of the President or the President's designee, terminate not later than the expiration of the 4-year period beginning on the date of their establishment.''.

(2) CONFORMING AMENDMENT.—Section 135(b)(1) of the Trade Act of 1974 (19 U.S.C. 2155(b)(1)) is amended by striking ''2 years'' and inserting ''4 years or until the committee is scheduled to expire''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on February 1, 2006.

On page 259, strike lines 6 through 8, and insert ''amounts authorized to be transferred from funds in the general fund of the Treasury not to exceed $32,000,000.''

On page 259, line 11, strike ''in the'' and insert ''authorized to the''.

On page 259, begining on line 23, strike ''close of'' and all that follows through line 25, and insert ''date of enactment of the appropriations authorized under this section.''

On page 260, line 3, strike ''$16,000,000'' and insert ''an amount not to exceed $16,000,000''.

On page 260, line 14, strike ''$16,000,000'' and insert ''an amount not to exceed $16,000,000''.

On page 261, lines 5 through 7, strike '', and is appropriated out of amounts in the general fund of the Treasury not otherwise appropriated,''.

On page 268, after line 5, insert the following:

TITLE IV—IRAQI CULTURAL ANTIQUITIES

SEC. 4001. SHORT TITLE.

This title may be cited as the ''Emergency Protection for Iraqi Cultural Antiquities Act of 2003''.

SEC. 4002. EMERGENCY IMPLEMENTATION OF IMPORT RESTRICTIONS.

(a) AUTHORITY.—The President may exercise the authority of the President under section 304 of the Convention on Cultural Property Implementation Act (19 U.S.C. 2603) with respect to any archaeological or ethnological material of Iraq as if Iraq were a State Party under that Act, except that, in exercising such authority, subsection (c) of such section shall not apply.

(b) DEFINITION.—In this section, the term ''archaeological or ethnological material of Iraq'' means cultural property of Iraq and other items of archaeological, historical, cultural, rare scientific, or religious importance illegally removed from the Iraq National Museum, the National Library of Iraq, and other locations in Iraq, since the adoption of United Nations Security Council Resolution 661 of 1990.

SEC. 4003. TERMINATION OF AUTHORITY.

The authority of the President under section 4002 shall terminate upon the earlier of—

(1) the date that is 5 years after the date on which the President certifies to Congress that normalization of relations between the United States and the Government of Iraq has been established; or

(2) September 30, 2009.

TITLE V—COTTON FABRICS

SEC. 5001. 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 12/31/2006	
	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 12/31/2006	''.

(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.

SEC. 5002. 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 amounts authorized to be transferred from funds in the general fund of the Treasury not to exceed $32,000,000.

(b) GRANTS.—

(1) GENERAL PURPOSE.—From amounts authorized to 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 180 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 90 days after the date of enactment of the appropriations authorized under 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) an amount not to exceed $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) an amount not to exceed $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) an amount not to exceed $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)(C), 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 is authorized to be 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.

TITLE VI—Technical Amendments Relating to Entry and Protest

SEC. 6001. ENTRY OF MERCHANDISE.

(a) IN GENERAL.—Section 484(a) of the Tariff Act of 1930 (19 U.S.C. 1484) is amended—

(1) by amending paragraph (1)(A) to read as follows:

''(A) make entry therefor by filing with the Customs Service—

''(i) such documentation; or

''(ii) pursuant to an electronic data interchange system, such information as is necessary to enable the Customs Service to determine whether the merchandise may be released from customs custody; and'';

(2) in paragraph (1)(B), by inserting after ''entry'' the following: '', or substitute 1 or more reconfigured entries on an import activity summary statement,''; and

(3) in paragraph (2)(A)—

(A) by inserting after ''statements'' the following: ''and permit the filing of reconfigured entries,''; and

(B) by adding at the end the following: ''Entries filed under paragraph (1)(A) shall not be liquidated if covered by an import activity summary statement, but instead each reconfigured entry in the import activity summary statement shall be subject to liquidation or reliquidation pursuant to section 500, 501, or 504.''.

(b) RECONCILIATION.—Section 484(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1484(b)(1)) is amended by striking ''15 months'' and inserting ''21 months''.

SEC. 6002. LIMITATION ON LIQUIDATIONS.

Section 504 of the Tariff Act of 1930 (19 U.S.C. 1504) is amended—

(1) in subsection (a)—

(A) by striking ''or'' at the end of paragraph (3);

(B) in paragraph (4), by striking ''filed;'' and inserting ''filed, whichever is earlier; or''; and

(C) by inserting after paragraph (4) the following:

''(5) if a reconfigured entry is filed under an import activity summary statement, the date the import activity summary statement is filed or should have been filed, whichever is earlier;''; and

(2) by striking ''at the time of entry'' each place it appears.

SEC. 6003. PROTESTS.

Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''(relating to refunds and errors) of this Act'' and inserting ''(relating to refunds), any clerical error, mistake of fact, or other inadvertence, whether or not resulting from or contained in an electronic transmission, adverse to the importer, in any entry, liquidation, or reliquidation, and'';

(B) in paragraph (5), by inserting '', including the liquidation of an entry, pursuant to either section 500 or section 504;'' after ''thereof''; and

(C) in paragraph (7), by striking ''(c) or''; and

(2) in subsection (c)—

(A) in paragraph (1), in the sixth sentence, by striking ''A protest may be amended,'' and inserting ''Unless a request for accelerated disposition is filed under section 515(b), a protest may be amended,'';

(B) in paragraph (3)(A), by striking ''notice of'' and inserting ''date of''; and

(C) in paragraph (3)—

(i) by striking ''ninety days'' and inserting ''180 days''; and

(ii) by striking ''90 days'' and inserting ''180 days'' .

SEC. 6004. REVIEW OF PROTESTS.

Section 515(b) of the Tariff Act of 1930 (19 U.S.C 1515(b)) is amended by striking ''after ninety days'' and inserting ''concurrent with or''.

SEC. 6005. REFUNDS AND ERRORS.

Section 520(c) of the Tariff Act of 1930 (19 U.S.C 1520(c)) is repealed.

SEC. 6006. DEFINITIONS AND MISCELLANEOUS PROVISIONS.

Section 401 of the Tariff Act of 1930 (19 U.S.C 1401) is amended by adding at the end the following:

''(t) RECONFIGURED ENTRY.—The term 'reconfigured entry' means an entry filed on an import activity summary statement which substitutes for all or part of 1 or more entries filed under section 484(a)(1)(A) or filed on a reconciliation entry that aggregates the entry elements to be reconciled under section 484(b) for purposes of liquidation, reliquidation, or protest.''.

SEC. 6007. VOLUNTARY RELIQUIDATIONS.

Section 501 of the Tariff Act of 1930 (19 U.S.C 1501) is amended by inserting ''or 504'' after ''section 500''.

SEC. 6008. EFFECTIVE DATE.

The amendments made by this title shall apply to merchandise entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

TITLE VII—EXTENSION OF SUSPENSIONS

SEC. 7001. EXTENSION OF DUTY SUSPENSIONS.

Except as provided in sections 1303, 1309, 1380, 1388, 1389, 1392, 1393, 1394, 1419, and 1420, each of the headings of the Harmonized Tariff Schedule added by chapter 1 of subtitle A of title I is amended by striking the date in the effective period column and inserting ''12/31/2006''.

SA 2679. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) Manufacturing is critical to the health of the United States economy, generating high quality products, personal opportunity, careers, wealth, high standards of living, and economic growth.

(2) In July 2000 the manufacturing sector slipped into recession and since has lost 2,700,000 high paying manufacturing jobs, while the rest of the economy has added 623,000 jobs.

(3) The manufacturing sector faces intense global competition, making it difficult for many firms to operate profitably and earn a sufficient return on capital invested.

(4) The manufacturing sector in the United States seeks a global level playing field for competition and markets.

(5) China entered the World Trade Organization (WTO) in December 2001 and agreed to abide by the commitments ascribed in its accession.

(6) United States investors and exporters recognize the opportunity of doing business with China but have raised serious concerns that many of the commitments China made upon joining the WTO have not yet been implemented or implementation has been inadequate.

(7) A clear example of injury committed by China to a United States industry can be found in the United States candle industry, where between 1997 and 2002, imports of wax candles from China increased from 46,000,000 pounds to 174,000,000 pounds and where in 2002 alone, the United States candle industry lost 128,000,000 pounds in sales to the Chinese.

(8) Market barriers and unfair trade practices continue to exist in China, including high tariffs, subsidies, technical trade restrictions, counterfeiting, violations of intellectual property rights, and nonmarket-based industrial, economic, and financial policies that limit United States exports.

(9) United States manufacturers will not be able to achieve a fair and level playing field with their Chinese counterparts because of the costs associated with the United States regulatory framework, e.g., compliance with labor and environmental regulations, as well as healthcare costs, which are non-existent costs for Chinese companies.

(10) The currency of China, the yuan, has been fixed relative to the United States dollar since 1994.

(11) A systemically misvalued currency by any large country can have damaging trade-distorting effects on both that country and its trading partners by decreasing the price of exports of products of that country and increasing the price of imports to that country.

(12) The market-based valuation of currencies is a key component to resilient global trading systems by enabling smoother transitions to reflect underlying economic fundamentals in a country.

(13) The President's Chairman of the Council of Economic Advisors recently described the outsourcing of American jobs overseas ''as a good thing'' and said, ''outsourcing is just a new way of doing international trade''.

(14) Job retention and creation are essential to the economic stability of the United States and the administration should pursue policies that serve as an engine for economic growth, higher wage jobs, and increased productivity.

(15) A salient example of the trade barriers faced by United States manufacturers is the lack of adequate intellectual property protection and enforcement in the markets of some of America's major trading partners.

(16) For United States manufacturers, protection of intellectual property is not an abstract concept. America's competitive edge ensues directly from innovation and rising productivity. Intellectual property protection is the best means for ensuring that American manufacturers enjoy the benefits of their investments in research and development and of their efforts to raise productivity.

(17) To the extent that United States investment in research and development provides a competitive edge in the marketplace, the protection of the intellectual property developed by United States manufacturers, which embodies the product of that research, becomes critical to the future of the manufacturing sector.

(18) It is estimated that counterfeits account for 15 to 20 percent of all products made in China and accounts for about 8 percent of China's Gross Domestic Product.

(19) Industry analysts estimate that intellectual property rights piracy in China cost United States firms $1,850,000,000 in lost sales in 2002.

(20) Under the terms of China's WTO accession, China agreed to immediately bring its intellectual property rights laws in compliance with the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the United States Trade Representative should continue to actively encourage China's compliance with its WTO commitments, specifically with regard to intellectual property rights violations;

(2) the Secretary of the Treasury should encourage the Chinese to make the significant structural reforms, particularly in the banking sector, to ensure that China can effectively adopt a more flexible exchange rate regime;

(3) the Senate urges the President, the Secretary of the Treasury, and the United States Trade Representative to continue their strong dialogue with China, and if these discussions fail to produce immediate, meaningful results, the Senate urges the United States Trade Representative to commence a review under section 301 of the Trade Act of 1974;

(4) the Senate should oppose any efforts to encourage the outsourcing of American jobs overseas;

(5) the Senate should adopt legislation providing for a manufacturing tax incentive to encourage job creation in the United States and oppose efforts to make it cheaper to send jobs overseas;

(6) the Secretary of Commerce should aggressively pursue those foreign producers and importers who have violated United States trade law and when violations have resulted in the injury of United States industry, the Secretary of Commerce should impose the maximum penalty within the confines of our trade laws;

(7) the United States Trade Representative should promote the protection of United States intellectual property abroad by expanding cooperative efforts with developing country trading partners to encourage the full implementation of their obligations under the WTO's Agreement on Trade Related Aspects of Intellectual Property (TRIPS);

(8) the administration should pursue a policy of aggressive investigation of allegations of theft of intellectual property, particularly allegations in which American manufacturers are compelled to divulge intellectual property as a condition of market access or investment; and

(9) the administration should pursue a policy of aggressive enforcement of our existing intellectual property laws, and in so doing, shall continue to work hand in hand with business and industry to identify and prosecute counterfeiters.

SA 2680. Mr. MCCONNELL (for himself and Mr. FRIST) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 7, strike lines 10 through 14 and insert the following:

This title and the amendments made by this title shall take effect 30 days after the Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the U.S. economy. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

SA 2681. Mr. LEVIN (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SENSE OF CONGRESS REGARDING NEGOTIATING, IN THE UNITED STATES-THAILAND FREE TRADE AGREEMENT, ACCESS TO THE UNITED STATES AUTOMOBILE INDUSTRY.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States Trade Representative recently announced an intention to negotiate a free trade agreement (FTA) with Thailand.

(2) Properly structured FTAs may have important benefits for the United States, and a bilateral free trade agreement program pursued under a coherent policy and strategy may play an important role in United States trade policy.

(3) The global automobile market is subject to inherently multilateral problems that need to be addressed on a multilateral basis, including numerous, widespread, and complex nontariff barriers maintained by major producing countries.

(4) Providing Thailand privileged access to critical segments of the United States automobile market would significantly erode United States leverage to negotiate reductions to global automobile market distortions in multilateral negotiations, because producers from third countries would be able to benefit from the privileged access of Thailand under the FTA.

(5) Thailand is the second largest source of pick-up truck production in the world, with many major automobile manufacturers from outside of Thailand producing pick-up trucks there.

(6) Thailand's Board of Investment has actively been recruiting automobile producers from outside of Thailand, including Japan, South Korea, and India, to produce automobiles in Thailand, and some of these producers have cited Thailand's privileged access to foreign markets through FTAs as a rationale for setting up production in Thailand.

(7) Many of these producers from outside of Thailand have moved their pick-up truck production out of their home countries and into Thailand in order to make Thailand their global pick-up truck production and export bases.

(8) As a result of this activity by automobile producers from outside of Thailand, pick-up truck production in Thailand will soon approach 1,000,000 units annually, and could grow even larger.

(9) Given these facts, if Thailand were given privileged access to critical segments of the United States automobile market in an FTA, it could be used by third-country automobile producers as a backdoor into the

United States market; however, Japan, South Korea, India, and other major producing countries would not be required to reduce their tariff and nontariff barriers to United States automobile producers, and in fact the tariff and nontariff barriers maintained by those countries would continue to distort global markets and restrict the access of United States exports to markets in those countries.

(10) Given that these third-country producers would already have privileged access to the United States market through the United States-Thailand FTA, their home countries would have less incentive to address the inherently multilateral problems in the global automobile market through negotiations on a multilateral basis.

(11) The United States automobile industry is a major driver of the United States economy—accounting annually for between 3 and 4 percent of the gross domestic product (GDP) of the United States, leading all United States industries in annual research and development spending, directly employing over 500,000 highly skilled and efficient workers in jobs that pay on average 60 percent higher than the average United States job, and supporting the jobs of over 7,000,000 other workers—and it has played a critical role in efforts to revive the United States economy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that negotiations on access to critical segments of the United States automobile market should not take place on a piecemeal basis, but only—

(1) as part of negotiations that include all major automobile producing nations; and

(2) as part of comprehensive negotiations that address both tariff and nontariff barriers specific to the automobile industry, with progress on eliminating tariff barriers explicitly linked to concrete progress on eliminating nontariff barriers.

SA 2682. Mr. SMITH (for himself, Mrs. LINCOLN, Mr. BUNNING, Mr. WYDEN, Mr. SPECTER, Mr. BREAUX, and Mr. KOHL) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. ___. PREMIUMS FOR MORTGAGE INSURANCE.

(a) IN GENERAL.—Paragraph (3) of section 163(h) (relating to qualified residence interest) is amended by adding after subparagraph (D) the following new subparagraph:

''(E) MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.—

''(i) IN GENERAL.—Premiums paid or accrued for qualified mortgage insurance by a taxpayer during the taxable year in connection with acquisition indebtedness with respect to a qualified residence of the taxpayer shall be treated for purposes of this subsection as qualified residence interest.

''(ii) PHASEOUT.—The amount otherwise allowable as a deduction under clause (i) shall be reduced (but not below zero) by 10 percent of such amount for each $1,000 ($500 in the case of a married individual filing a separate return) (or fraction thereof) that the taxpayer's adjusted gross income for the taxable year exceeds $100,000 ($50,000 in the case of a married individual filing a separate return).''.

(b) DEFINITION AND SPECIAL RULES.—Paragraph (4) of section 163(h) (relating to other definitions and special rules) is amended by adding at the end the following new subparagraphs:

''(E) QUALIFIED MORTGAGE INSURANCE.—The term 'qualified mortgage insurance' means—

''(i) mortgage insurance provided by the Home Loan Guaranty Program of the Department of Veterans Affairs, the Federal Housing Administration, or the Rural Housing Administration, and

''(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).

''(F) SPECIAL RULES FOR PREPAID QUALIFIED MORTGAGE INSURANCE.—Any amount paid by the taxpayer for qualified mortgage insurance that is properly allocable to any mortgage the payment of which extends to periods that are after the close of the taxable year in which such amount is paid shall be chargeable to capital account and shall be treated as paid in such periods to which so allocated. No deduction shall be allowed for the unamortized balance of such account if such mortgage is satisfied before the end of its term. The preceding sentences shall not apply to amounts paid for qualified mortgage insurance provided by the Department of Veterans Affairs or the Rural Housing Administration.''.

(c) INFORMATION RETURNS RELATING TO MORTGAGE INSURANCE.—Section 6050H (relating to returns relating to mortgage interest received in trade or business from individuals) is amended by adding at the end the following new subsection:

''(h) RETURNS RELATING TO MORTGAGE INSURANCE PREMIUMS.—

''(1) IN GENERAL.—The Secretary may prescribe, by regulations, that any person who, in the course of a trade or business, receives from any individual premiums for mortgage insurance aggregating $600 or more for any calendar year, shall make a return with respect to each such individual. Such return shall be in such form, shall be made at such time, and shall contain such information as the Secretary may prescribe.

''(2) STATEMENT TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under paragraph (1) shall furnish to each individual with respect to whom a return is made a written statement showing such information as the Secretary may prescribe. Such written statement shall be furnished on or before January 31 of the year following the calendar year for which the return under paragraph (1) was required to be made.

''(3) SPECIAL RULES.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (c) shall apply, and

''(B) the term 'mortgage insurance' means—

''(i) the Home Loan Guaranty Program of the Department of Veterans Affairs, and mortgage insurance provided by the Federal Housing Administration or the Rural Housing Administration, and

''(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or accrued after the date of enactment of this Act in taxable years ending after such date.

SA 2683. Mr. SANTORUM (for himself, Mr. NELSON of Florida, and Mr. KYL) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 166 of amendment number 2645, as agreed to, between lines 15 and 16, insert the following:

SEC. ___. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) 7-YEAR PROPERTY.—Subparagraph (C) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to classification of certain property) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following new clause:

''(ii) any motorsports entertainment complex, and''.

(b) DEFINITION.—Section 168(i) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(15) MOTORSPORTS ENTERTAINMENT COMPLEX.—

''(A) IN GENERAL.—The term 'motorsports entertainment complex' means a racing track facility that is permanently situated on land and which during the applicable period is scheduled to host one or more racing events for automobiles (of any type), trucks, or motorcycles that are open to the public for the price of admission.

''(B) ANCILLARY AND SUPPORT FACILITIES.—Such term shall include, if owned by the complex and provided for the benefit of patrons of the complex—

''(i) ancillary grounds and facilities and land improvements in support of the complex's activities (including parking lots, sidewalks, waterways, bridges, fences, and landscaping),

''(ii) support facilities (including food and beverage retailing, souvenir vending, and other nonlodging accommodations), and

''(iii) appurtenances associated with such facilities and related attractions and amusements (including ticket booths, race track surfaces, suites and hospitality facilities, grandstands and viewing structures, props, walls, facilities that support the delivery of entertainment services, other special purpose structures, facades, shop interiors, and buildings).

''(C) EXCEPTION.—Such term shall not include any transportation equipment, administrative services assets, warehouses, administrative buildings, hotels, or motels.

''(D) APPLICABLE PERIOD.—For purposes of subparagraph (A), the term 'applicable period' means the period ending the later of the last day of—

''(i) the 24 month period following the first day of the month in which the asset is or was placed in service, or

''(ii) the 24 month period ending December 31, 2003, to the extent that the asset remains in service during such period.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to any property placed in service before, on, or after the date of the enactment of this Act.

(2) TRANSITION RULE FOR PROPERTY PLACED IN SERVICE ON OR BEFORE ENACTMENT.—In the case of property placed in service on or before the date of the enactment of this Act,

the taxpayer may elect (in such form and manner as the Secretary may prescribe), not to apply section 168 of the Internal Revenue Code of 1986 (as amended by this section) to such property.

SA 2684. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE ___—UNEMPLOYMENT COMPENSATION

SEC. ___01. EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002.

(a) IN GENERAL.—Section 208 of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30), as amended by Public Law 108–1 (117 Stat. 3) and the Unemployment Compensation Amendments of 2003 (Public Law 108–26; 117 Stat. 751), is amended—

(1) in subsection (a)(2), by striking ''December 31, 2003'' and inserting ''June 30, 2004'';

(2) in subsection (b)(1), by striking ''December 31, 2003'' and inserting ''June 30, 2004'';

(3) in subsection (b)(2)—

(A) in the heading, by striking ''DECEMBER 31, 2003'' and inserting ''JUNE 30, 2004''; and

(B) by striking ''December 31, 2003'' and inserting ''June 30, 2004''; and

(4) in subsection (b)(3), by striking ''March 31, 2004'' and inserting ''September 30, 2004''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21).

SEC. ___02. ADDITIONAL REVISION TO CURRENT TEUC–X TRIGGER.

(a) IN GENERAL.—Section 203(c)(2)(B) of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30) is amended to read as follows:

''(B) such a period would then be in effect for such State under such Act if—

''(i) section 203(d) of such Act were applied as if it had been amended by striking '5' each place it appears and inserting '4'; and

''(ii) with respect to weeks of unemployment beginning after December 27, 2003—

''(I) paragraph (1)(A) of such section 203(d) did not apply; and

''(II) clause (ii) of section 203(f)(1)(A) of such Act did not apply.''.

(b) APPLICATION.—Section 203(c)(2)(B)(ii) of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30), as added by subsection (a), shall apply with respect to payments for weeks of unemployment beginning on or after the date of enactment this Act.

SEC. ___03. TEMPORARY STATE AUTHORITY TO WAIVE APPLICATION OF LOOKBACKS UNDER THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970.

For purposes of conforming with the provisions of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), a State may, during the period beginning on the date of enactment of this Act and ending on June 30, 2004, waive the application of either subsection (d)(1)(A) of section 203 of such Act or subsection (f)(1)(A)(ii) of such section, or both.

SA 2685. Mr. THOMAS (for Mr. MCCAIN (for himself and Mr. WARNER)) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 5, insert after line 16 the following:

(e) NATIONAL SECURITY EXEMPTION.—Subsection (b) shall not apply to any procurement for national security purposes entered into by:

(1) the Department of Defense or any agency or entity thereof;

(2) the Department of the Army, the Department of the Navy, the Department of the Air Force, or any agency or entity of any of the military departments;

(3) the Department of Homeland Security;

(4) the Department of Energy or any agency or entity thereof, with respect to the national security programs of that Department; or

(5) any element of the intelligence community.

SA 2686. Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) proposed an amendment to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 71, strike lines 17 through 21, and the matter before line 22, and insert the following:

''(2) PHASEIN.—In the case of taxable years beginning in 2004, 2005, 2006, 2007, or 2008, paragraph (1) shall be applied by substituting for the percentage contained therein the transition percentage determined under the following table:

''Taxable years beginning in:	**The transition percentage is:**
2004, 2005, or 2006	5
2007	6
2008	7.

SA 2687. Mr. GRASSLEY (for Mr. BAYH (for himself, Mr. SANTORUM, Mr. BUNNING, Mr. GRASSLEY, Mr. BAUCUS, and Mr. DORGAN)) proposed an amendment to amendment SA 2686 proposed by Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

At the end of the amendment add the following:

TITLE V—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Extensions

SEC. 501. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Section 9812(f) is amended—

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

(2) by striking paragraph (2) and inserting the following new paragraphs:

''(2) on or after January 1, 2004, and before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act, and

''(3) after December 31, 2005.''.

(b) ERISA.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by striking ''on or after December 31, 2004'' and inserting ''after December 31, 2005''.

(c) PHSA.—Section 2705(f) of the Public Health Service Act (42 U.S.C. 300gg-5(f)) is amended by striking ''on or after December 31, 2004'' and inserting ''after December 31, 2005''.

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to benefits for services furnished on or after December 31, 2003.

(2) SUBSECTIONS (b) AND (c).—The amendments made by subsections (b) and (c) shall apply to benefits for services furnished on or after December 31, 2004.

SEC. 502. MODIFICATIONS TO WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION OF CREDIT.—

(1) Subparagraph (B) of section 51(c)(4) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2005''.

(2) Subsection (f) of section 51A is amended by striking ''December 31, 2003'' and inserting ''December 31, 2005''.

(b) ELIGIBILITY OF EX-FELONS DETERMINED WITHOUT REGARD TO FAMILY INCOME.—Paragraph (4) of section 51(d) is amended by adding ''and'' at the end of subparagraph (A), by striking '', and'' at the end of subparagraph (B) and inserting a period, and by striking all that follows subparagraph (B).

(c) INCREASE IN MAXIMUM AGE FOR ELIGIBILITY OF FOOD STAMP RECIPIENTS.—Clause (i) of section 51(d)(8)(A) is amended by striking ''25'' and inserting ''40''.

(d) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE OR COMMUNITY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, or renewal community.''

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(e) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking ''or'' at the end of

clause (i), by striking the period at the end of clause (ii) and inserting ''; or'', and by adding at the end the following new clause:

''(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.''

(f) EFFECTIVE DATES.—

(1) EXTENSION OF CREDITS.—The amendments made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2003.

(2) MODIFICATIONS.—The amendments made by subsections (b), (c), (d), and (e) shall apply to individuals who begin work for the employer after December 31, 2004.

SEC. 503. CONSOLIDATION OF WORK OPPORTUNITY CREDIT WITH WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Paragraph (1) of section 51(d) is amended by striking ''or'' at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ''; or'', and by adding at the end the following new subparagraph:

''(I) a long-term family assistance recipient.''

(b) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—Subsection (d) of section 51 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following new paragraph:

''(10) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—The term 'long-term family assistance recipient' means any individual who is certified by the designated local agency—

''(A) as being a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least the 18-month period ending on the hiring date,

''(B)(i) as being a member of a family receiving such assistance for 18 months beginning after August 5, 1997, and

''(ii) as having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

''(C)(i) as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

''(ii) as having a hiring date which is not more than 2 years after the date of such cessation.''

(c) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—Section 51 is amended by inserting after subsection (d) the following new subsection:

''(e) CREDIT FOR SECOND-YEAR WAGES FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—

''(1) IN GENERAL.—With respect to the employment of a long-term family assistance recipient—

''(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

''(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed $10,000 per year.

''(2) QUALIFIED SECOND-YEAR WAGES.—For purposes of this subsection, the term 'qualified second-year wages' means qualified wages—

''(A) which are paid to a long-term family assistance recipient, and

''(B) which are attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such recipient determined under subsection (b)(2).

''(3) SPECIAL RULES FOR AGRICULTURAL AND RAILWAY LABOR.—If such recipient is an employee to whom subparagraph (A) or (B) of subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

''(A) such subparagraph (A) shall be applied by substituting '$10,000' for '$6,000', and

''(B) such subparagraph (B) shall be applied by substituting '$833.33' for '$500'.''

(d) REPEAL OF SEPARATE WELFARE-TO-WORK CREDIT.—

(1) IN GENERAL.—Section 51A is hereby repealed.

(2) CLERICAL AMENDMENT.—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2004.

SEC. 504. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''and 2003'' and inserting ''2003, 2004, and 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2003.

SEC. 505. 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 ''January 1, 2006''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2003.

SEC. 506. DEDUCTION FOR CORPORATE DONATIONS OF SCIENTIFIC PROPERTY AND COMPUTER TECHNOLOGY.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(2) CONFORMING AMENDMENT.—Clause (iii) of section 170(e)(4)(B) is amended by inserting ''or assembling'' after ''construction''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(6)(B) is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(2) SPECIAL RULE EXTENDED.—Section 170(e)(6)(G) is amended by striking ''2003'' and inserting ''2005''.

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

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2003.

SEC. 507. DEDUCTION FOR CERTAIN EXPENSES OF SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking ''or 2003'' and inserting ''; 2003, 2004, or 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenses paid or incurred in taxable years beginning after December 31, 2003.

SEC. 508. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) EXTENSION OF TERMINATION DATE.—Subsection (h) of section 198 is amended by striking ''December 31, 2003'' and inserting ''December 31, 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures paid or incurred after December 31, 2003.

SEC. 509. EXPANSION OF CERTAIN NEW YORK LIBERTY ZONE BENEFITS.

(a) EXTENSION OF TAX-EXEMPT BOND FINANCING.—Subparagraph (D) of section 1400L(d)(2) is amended by striking ''2005'' and inserting ''2006''.

(b) CLARIFICATION OF BONDS ELIGIBLE FOR ADVANCE REFUNDING.—Section 1400L(e)(2)(B) (relating to bonds described) is amended by striking ''; or'' and inserting ''or the Municipal Assistance Corporation, or''.

(c) ELECTION OUT TECHNICAL AMENDMENT.—Subsection (c) of section 1400L is amended by adding at the end the following new paragraph:

''(5) ELECTION OUT.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(C)(iii) shall apply.''.

(d) EFFECTIVE DATE.—The amendments made by subsections (b) and (c) shall take effect as if included in the amendments made by section 301 of the Job Creation and Worker Assistance Act of 2002.

SEC. 510. 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, 2004, or 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 511. 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 ''December 31, 2005''.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—Subsection (b) of section 1400A is amended by striking ''December 31, 2003'' and inserting ''December 31, 2005''.

(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 ''January 1, 2006''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking ''December 31, 2008'' and inserting ''December 31, 2010'', and

(ii) by striking ''2008'' in the heading and inserting ''2010''.

(B) Section 1400B(g)(2) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2010''.

(C) Section 1400F(d) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2010''.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by striking ''January 1, 2004'' and inserting ''January 1, 2006''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on January 1, 2004.

(2) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—The amendment made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 512. 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 ''the State of Montana for a period ending with the date which is 5 years after the date of the enactment of this Act'' and inserting ''any State''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disclosures on or after the date of the enactment of this Act.

SEC. 513. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000, 2001, 2002, AND 2003.—'' and inserting ''RULE FOR TAXABLE YEARS 2000 THROUGH 2004.—'', and

(2) by striking ''or 2003'' and inserting ''2003, or 2004''.

(b) CONFORMING PROVISIONS.—

(1) Section 904(h) is amended by striking ''or 2003'' and inserting ''2003, or 2004''.

(2) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2004.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 514. 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 ''January 1, 2005''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to facilities placed in service after December 31, 2003.

SEC. 515. 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 by striking ''January 1, 2004'' and inserting ''January 1, 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 516. INDIAN EMPLOYMENT TAX CREDIT.

Section 45A(f) (relating to termination) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

SEC. 517. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

Section 168(j)(8) (relating to termination) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

SEC. 518. DISCLOSURE OF RETURN INFORMATION RELATING TO STUDENT LOANS.

Section 6103(l)(13)(D) (relating to termination) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

SEC. 519. 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 ''Jumpstart Our Business Strength (JOBS) Act''.

(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 ''Jumpstart Our Business Strength (JOBS) Act''.

(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 ''Jumpstart Our Business Strength (JOBS) Act''.

(c) MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Section 420(c)(3)(E) is amended by adding at the end the following new clause:

''(ii) INSIGNIFICANT COST REDUCTIONS PERMITTED.—

''(I) IN GENERAL.—An eligible employer shall not be treated as failing to meet the requirements of this paragraph for any taxable year if, in lieu of any reduction of retiree health coverage permitted under the regulations prescribed under clause (i), the employer reduces applicable employer cost by an amount not in excess of the reduction in costs which would have occurred if the employer had made the maximum permissible reduction in retiree health coverage under such regulations. In applying such regulations to any subsequent taxable year, any reduction in applicable employer cost under this clause shall be treated as if it were an equivalent reduction in retiree health coverage.

''(II) ELIGIBLE EMPLOYER.—For purposes of subclause (I), an employer shall be treated as an eligible employer for any taxable year if, for the preceding taxable year, the qualified current retiree health liabilities of the employer were at least 5 percent of the gross receipts of the employer. For purposes of this subclause, the rules of paragraphs (2), (3)(B), and (3)(C) of section 448(c) shall apply in determining the amount of an employer's gross receipts.''

(2) CONFORMING AMENDMENT.—Section 420(c)(3)(E) is amended by striking ''The Secretary'' and inserting:

''(i) IN GENERAL.—The Secretary''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 520. ELIMINATION OF PHASEOUT OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30(b) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) CONFORMING AMENDMENTS.—

(1) Section 53(d)(1)(B)(iii) is amended by striking ''section 30(b)(3)(B)'' and inserting ''section 30(b)(2)(B)''.

(2) Section 55(c)(2) is amended by striking ''30(b)(3)'' and inserting ''30(b)(2)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2003.

SEC. 521. ELIMINATION OF PHASEOUT FOR DEDUCTION FOR CLEAN-FUEL VEHICLE PROPERTY.

(a) IN GENERAL.—Paragraph (1) of section 179A(b) is amended to read as follows:

''(1) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—The cost which may be taken into account under subsection (a)(1)(A) with respect to any motor vehicle shall not exceed—

''(A) in the case of a motor vehicle not described in subparagraph (B) or (C), $2,000,

''(B) in the case of any truck or van with a gross vehicle weight rating greater than 10,000 pounds but not greater than 26,000 pounds, $5,000, or

''(C) $50,000 in the case of—

''(i) a truck or van with a gross vehicle weight rating greater than 26,000 pounds, or

''(ii) any bus which has a seating capacity of at least 20 adults (not including the driver).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2003.

Subtitle B—Revenue Provisions

SEC. 531. DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

(a) IN GENERAL.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

''(11) CONTRIBUTIONS OF USED MOTOR VEHICLES, BOATS, AND AIRPLANES.—

''(A) IN GENERAL.—In the case of a contribution of a qualified vehicle in excess of $500—

''(i) paragraph (8) shall not apply and no deduction shall be allowed under subsection (a) for such contribution unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgement of the contribution by the donee organization that meets the requirements of subparagraph (B) and includes the acknowledgement with the taxpayer's return of tax which includes the deduction, and

''(ii) if the organization sells the vehicle without any significant intervening use or material improvement of such vehicle by the organization, the amount of the deduction allowed under subsection (a) shall not exceed the gross proceeds received from such sale.

''(B) CONTENT OF ACKNOWLEDGEMENT.—An acknowledgement meets the requirements of this subparagraph if it includes the following information:

''(i) The name and taxpayer identification number of the donor.

''(ii) The vehicle identification number or similar number.

''(iii) In the case of a qualified vehicle sold by the donee organization—

''(I) a certification that the vehicle was sold in an arm's length transaction between unrelated parties,

''(II) the gross proceeds from the sale, and

''(III) the amount of such gross proceeds is the deductible amount.

''(iv) In the case of a qualified vehicle to which subparagraph (A)(ii) does not apply—

''(I) a certification of the intended use or material improvement of the vehicle and the intended duration of such use, and

''(II) a certification that the vehicle would not be transferred in exchange for money, other property, or services before completion of such use or improvement.

''(C) CONTEMPORANEOUS.—For purposes of subparagraph (A), an acknowledgement shall be considered to be contemporaneous if the donee organization provides it within 30 days of—

''(i) the sale of the qualified vehicle, or

''(ii) in the case of an acknowledgement including a certification described in subparagraph (B)(iv), the contribution of the qualified vehicle.

''(D) INFORMATION TO SECRETARY.—A donee organization required to provide an acknowledgement under this paragraph shall provide to the Secretary the information contained in the acknowledgement. Such information shall be provided at such time and in such manner as the Secretary may prescribe.

''(E) QUALIFIED VEHICLE.—For purposes of this paragraph, the term 'qualified vehicle' means any—

''(i) self-propelled vehicle manufactured primarily for use on public streets, roads, and highways,

''(ii) boat, or

''(iii) airplane.

Such term shall not include any property which is described in section 1221(a)(1).

''(F) REGULATIONS OR OTHER GUIDANCE.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this paragraph.''.

(b) PENALTY FOR FRAUDULENT ACKNOWLEDGMENTS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended adding at the end the following new section:

''SEC. 6717. FRAUDULENT ACKNOWLEDGMENTS WITH RESPECT TO DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

''Any donee organization required under section 170(f)(11)(A) to furnish a contemporaneous written acknowledgment to a donor which knowingly furnishes a false or fraudulent acknowledgment, or which knowingly fails to furnish such acknowledgment in the

manner, at the time, and showing the information required under section 170(f)(11), or regulations prescribed thereunder, shall for each such act, or for each such failure, be subject to a penalty equal to—

''(1) in the case of an acknowledgment with respect to a qualified vehicle to which section 170(f)(11)(A)(ii) applies, the greater of the value of the tax benefit to the donor or the gross proceeds from the sale of such vehicle, and

''(2) in the case of an acknowledgment with respect to any other qualified vehicle to which section 170(f)(11) applies, the greater of the value of the tax benefit to the donor or $5,000.''.

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

''Sec. 6717. Fraudulent acknowledgments with respect to donations of motor vehicles, boats, and airplanes.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions after June 30, 2004.

SEC. 532. CHANGE IN EFFECTIVE DATE.

Section 476(c) of this Act is amended by striking ''December 31, 2003'' and inserting ''November 18, 2003''.

SEC. 533. ADDITION OF VACCINES AGAINST INFLUENZA TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine) is amended adding at the end the following new subparagraph:

''(M) Any trivalent vaccine against influenza.''.

(b) CONFORMING AMENDMENT.—Section 9510(c)(1)(A) is amended by striking ''October 18, 2000'' and inserting ''the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act''.

(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. 534. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating to regulation authority) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'', and

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

''(2) TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT.—

''(A) IN GENERAL.—In the case of a debt instrument which—

''(i) is convertible into stock of the issuing corporation, or a corporation in control of, or controlled by, the issuing corporation, and

''(ii) provides for contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a noncontingent debt instrument also shall require that such comparable yield be determined by reference to a noncontingent debt instrument which is convertible into stock.

''(B) SPECIAL RULES.— For purposes of subparagraph (A)—

''(i) the comparable yield shall be determined without taking into account the yield resulting from the conversion of a debt instrument into stock, and

''(ii) the term 'control' has the meaning given such term by section 368(c).''.

(b) CROSS REFERENCE.—Section 163(e)(6) (relating to cross references) is amended by adding at the end the following:

''For the treatment of contingent payment convertible debt, see section 175(d)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after the date of the enactment of this Act.

SEC. 535. MODIFICATION OF CONTINUING LEVY ON PAYMENTS TO FEDERAL VENDERS.

(a) IN GENERAL.—Section 6331(h) (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

''(3) INCREASE IN LEVY FOR CERTAIN PAYMENTS.—Paragraph (1) shall be applied by substituting '100 percent' for '15 percent' in the case of any specified payment due to a vendor of goods or services sold or leased to the Federal Government.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SA 2688. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. RESTORATION OF DEDUCTION FOR TRAVEL EXPENSES OF SPOUSE, ETC. ACCOMPANYING TAXPAYER ON BUSINESS TRAVEL.

(a) IN GENERAL.—Subsection (m) of section 274 (relating to additional limitations on travel expenses) is amended by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SA 2689. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, insert:

SEC. _____. DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

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

''(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

''(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $10,000 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

''(2) AMOUNT DESCRIBED.—

''(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

''(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term 'whaling expenses' includes expenses for—

''(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

''(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

''(iii) storage and distribution of the catch from such activities.

''(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contributions made after December 31, 2003.

SA 2690. Mrs. FEINSTEIN (for herself, Mr. CONRAD, and Mrs. BOXER) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 71, between lines 2 and 3, insert the following:

(f) EXCEPTION FOR AUDIOVISUAL SERVICES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall not apply to extraterritorial income derived from audiovisual services.

(2) COORDINATION WITH DEDUCTION FOR INCOME ATTRIBUTABLE TO UNITED STATES PRODUCTION ACTIVITIES.—The deduction under section 199 of the Internal Revenue Code of 1986, as added by section 102 of this Act, shall not apply to any income described in paragraph (1).

(3) COORDINATION WITH TRANSITION RULES.—The base period amount under subsection (e)(4) shall not take into account extraterritorial income derived from audiovisual services.

(4) AUDIOVISUAL SERVICES.—For purposes of this subsection, the term ''audiovisual services'' means such activities as are treated as audiovisual services for purposes of the General Agreement on Trade in Services referred to in section 101(d)(14) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(14)).

SA 2691. Ms. SNOWE (for herself, Mr. LOTT, Mr. BREAUX, Mr. ALLEN, Mr. WARNER, Mrs. BOXER, Mr. BUNNING, Mr. COCHRAN, Ms. COLLINS, Mr. CHAFEE, Mr.

DODD, Mrs. DOLE, Mrs. FEINSTEIN, Ms. LANDRIEU, and Mr. KOHL) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. ___. METHOD OF ACCOUNTING FOR NAVAL SHIPBUILDERS.

(a) IN GENERAL.—Notwithstanding section 10203(b)(2)(B)(i) of the Revenue Act of 1987, in the case of a qualified naval ship contract, the taxable income of such contract shall be determined under a method identical to the method used in the case of a qualified ship contract (as defined in section 10203 of the Revenue Act of 1987).

(b) QUALIFIED NAVAL SHIP CONTRACT.—For purposes of this section—

(1) IN GENERAL.—The term ''qualified naval ship contract'' means any contract or portion thereof that is for the construction in the United States of 1 ship or submarine for the Federal Government if the taxpayer reasonably expects the delivery date or the warranty expiration date will occur no later than 8 years after the construction commencement date.

(2) DELIVERY DATE.—The term ''delivery date'' means the date on which the Federal Government issues a letter of acceptance or other similar document for the ship or submarine.

(3) WARRANTY EXPIRATION DATE.—The term ''warranty expiration date'' means the date on which the construction contractor's responsibility to perform work or service on the ship or submarine under the contract is terminated.

(4) CONSTRUCTION COMMENCEMENT DATE.—The term ''construction commencement date'' means the date on which the physical fabrication of any section or component of the ship or submarine begins.

(c) EFFECTIVE DATE.—This section shall apply to contracts for ships or submarines for which the Federal Government has issued a letter of acceptance or other similar document after the date of the enactment of this Act.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 4, 2004, at 9:30 a.m., in open and closed session to receive testimony on Military Strategy and Operational Requirements, in review of the Defense Authorization Request for fiscal year 2005.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, March 4, 2004, at 2:30 p.m., on the nominations of Rhonda Keenum, to be Assistant Secretary and Director General of the U.S. and Foreign Commercial Service for the Department of Commerce, Linda Combs, to be Assistant Secretary for Budget and Programs and Chief Financial Officer for the Department of Transportation, Douglas Buttrey and Francis Mulvey, to be Members of the Surface Transportation Board, in SR–253.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, March 4th at 10 a.m.

The purpose of the hearing is to review the Energy Information Administration (EIA) Annual Energy Outlook 2004 Report regarding the supply, demand and price projections for oil, natural gas, nuclear, coal and renewable resources, focusing on oil and natural gas. In addition, commercial and market perspectives on the state of oil and natural gas markets will be considered.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 4, 2004, at 9:30 a.m. to hold a Business Meeting.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 4, 2004, at 2:30 p.m. to hold a Subcommittee hearing on Hong Kong.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Higher Education and the Workforce: Issues for Reauthorization of the Higher Education Act during the session of the Senate on Thursday, March 4, 2004, at 10 a.m. in SD–430.

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

COMMITTEE ON THE JUDICIARY

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, March 4, 2004, at 9:30 a.m., in Dirksen Senate Building Room 226

Agenda

I. Nominations: Henry W. Saad to be U.S. Circuit Judge for the Sixth Circuit; William James Haynes II to be U.S. Circuit Judge for the Fourth Circuit; Raymond W. Gruender to be U.S. Circuit Judge for the Eighth Circuit; Franklin S. Van Antwerpen to be U.S. Circuit Judge for the Third Circuit; Diane S. Sykes to be U.S. Circuit Judge for the Seventh Circuit; Louis Guirola, Jr., to be U.S. Circuit Judge for the Southern District of Mississippi; Judith C. Herrera to be U.S. District Judge for the District of New Mexico; Virginia E. Hopkins to be U.S. District Judge for the Northern District of Alabama; Kenneth M. Karas to be U.S. District Judge for the Southern District of New York; F. Dennis Saylor to be U.S. District Judge for the District of Massachusetts; Sandra L. Townes to be U.S. District Judge for the Eastern District of New York; Ricardo S. Martinez to be U.S. District Judge for the Western District of Washington; Gene E.K. Pratter to be U.S. District Judge for the Eastern District of Pennsylvania; Neil Vincent Wake to be U.S. District Judge for the District of Arizona; William S. Duffey, Jr., to be U.S. District Judge for the Northern District of Georgia; James L. Robart to be U.S. District Judge for the Western District of Washington; Juan R. Sanchez to be U.S. District Judge for the Eastern District of Pennsylvania; Lawrence F. Stengel to be U.S. District Judge for the Eastern District of Pennsylvania; Michele M. Leonhart to be Deputy Administrator of Drug Enforcement; Domingo S. Herraiz to be Director of the Bureau of Justice Assistance Department of Justice; LaFayette Collins to be U.S. Marshal for the Western District of Texas, and Ronald J. Tenpas to be U.S. Attorney for the Southern District of Illinois.

II. Executive Session.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, March 4, 2004, for a joint hearing with the House of Representatives Committee on Veterans' Affairs, to hear the legislative presentations of the Non-Commissioned Officers Association, the Military Order of the Purple Heart, the Paralyzed Veterans of America, Jewish War Veterans, and Blinded Veterans Association. The hearing will take place in room 345 of the Cannon House Office Building at 10 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Madam President, I ask unanimous consent that the Select Committee on intelligence be authorized to meet during the session of the Senate on March 4, 2004, at 2:30 p.m., to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON ENERGY

Mr. HATCH. Madam President, I ask unanimous consent that the Subcommittee Energy of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, March 4, at 2:30 p.m., to receive testimony regarding new nuclear power generation in the United States.

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

SUBCOMMITTEE ON MARKETING, INSPECTION, AND PRODUCT PROMOTION

Mr. HATCH. Madam President, I ask unanimous consent that the Subcommittee on Marketing, Inspection, and Product Promotion of the Committee on Agriculture, Nutrition, and Forestry be allowed to conduct a hearing during the session of the Senate on Thursday, March 4, 2004. The purpose of this hearing will be to discuss the development of a national animal identification plan.

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

SUBCOMMITTEE ON PERSONNEL

Mr. HATCH. Madam President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on March 4, 2004, at 2:30 p.m., in open session to receive testimony on compensation, benefits and health care for active and reserve military personnel and their families, in review of the defense authorization request for fiscal year 2005.

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

PRIVILEGES OF THE FLOOR

Mr. HARKIN. Madam President, I ask unanimous consent that the privilege of the floor be granted to Rob Sand of my staff for the duration of the day.

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

Mr. THOMAS. Madam President, I ask unanimous consent that Cathleen West, a fellow on the Finance Committee staff, be granted the privileges of the floor for the remainder of the debate on S. 1637.

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

UNANIMOUS CONSENT AGREEMENT—BUDGET RESOLUTION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that on Monday, March 8, at noon, the Senate proceed to the budget resolution, if available and qualified.

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

GALISTEO BASIN ARCHAEOLOGICAL SITES PROTECTION ACT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 368, H.R. 506.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 506) to provide for the protection of archaeological sites and the Galisteo Basin in New Mexico, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the bill be read the third time, passed, that the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

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

The bill (H.R. 506) was read the third time and passed.

FORT BAYARD NATIONAL HISTORIC LANDMARK ACT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 286, H.R. 2059.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2059) to designate Fort Bayard Historic District in the State of New Mexico as a National Historic Landmark, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the bill be read the third time, passed, and the motion to reconsider be laid upon the table; that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

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

The bill (H.R. 2059) was read the third time and passed.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Democratic Leader pursuant to Public Law 108–176, appoints the following individual to serve as a member of the National Commission of Small Community Air Service: Robb B. Sexauer of South Dakota.

The Chair, on behalf of the Democratic Leader, pursuant to Public Law 108–199, appoints the following individuals to serve as members of the Abraham Lincoln Study Abroad Fellowship Program: the Senator from Illinois, RICHARD J. DURBIN and Brad R. Heegel of South Dakota .

ORDERS FOR MONDAY, MARCH 8, 2004

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 12 noon, Monday, March 8. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed 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 the Senate then begin consideration of the fiscal year 2005 budget resolution, if available, as provided under the previous order. I further ask unanimous consent that notwithstanding the Senate's adjournment, it be in order for the Foreign Relations and Budget Committees to file legislation from 10 a.m. to 12 noon tomorrow.

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, this has been a difficult week from many perspectives. We had two contentious pieces of legislation, and we certainly understand that on this side. As far as the legislation now before the Senate, it should not be such. I think there is no question that the majority of the Senate by far wants to pass the legislation that has been before the Senate today and yesterday.

The issue that is now holding up this legislation is whether the Senate is going to vote on an overtime amendment that is being offered by Senator HARKIN. It is an issue that we feel strongly about on this side. We want to vote on whether the President should go forward with these regulations. We want to vote. We will take a half hour evenly divided, we will take 20 minutes evenly divided to get a vote on this amendment. We are not stalling for time.

This is something that will have to be dealt with sometime during the next month or so in this legislature. We are willing to work in any way to cooperate and get this bill done, but one of the things we can't do is not have a vote on this overtime issue. Senator DASCHLE and I have talked with Senator HARKIN on four occasions at my last count. We said: Senator HARKIN, don't offer this amendment; this legislation is important; we are trying to get it passed. He has reluctantly agreed every time not to move forward with this legislation.

That is no longer part of what we are able to do. We talked with Senator HARKIN. He has been such a gentleman as to how we proceeded on this. He will continue to be a gentleman, but he is not going to relent offering this legislation because we do not think he should anymore.

I say that with the full knowledge that on this very important piece of legislation we are willing to vote, we are willing to discuss the amendments that Senators GRASSLEY and BAUCUS have. They want to improve the legislation. I think they can do that, and I think their amendments will be supported.

The second-degree amendment now before the Senate is not a bad amendment. I think the tax credit should be extended to sun and geothermal, but this extends it to wind. That is certainly a small bite of the apple that needs to be done.

I know the obligations and the burdens of the majority are difficult. We, not too long ago, were in the majority, and it is very hard to move legislation through this body. We need a vote on this overtime issue, and we hope and we are going to press as hard as we can to get a vote on it sometime in the near future.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, there is no objection then?

Mr. REID. No objection whatsoever.

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

Mr. MCCONNELL. Mr. President, let me say to my friend from Nevada, we fully understand the minority or, for that matter, any Member of the Senate has a right to offer a nongermane amendment to an underlying piece of legislation, but we had an unfortunate experience earlier this very week in which the offering and the adoption of amendments unrelated to the underlying bill ended up killing the bill that both the Senator from Nevada and myself had hoped would pass.

We already had one vote on the overtime issue late last year. I do not know how many times the minority would like for us to repeat that vote.

It is the belief of this Senator that on a bipartisan basis Senator GRASSLEY and Senator BAUCUS would like to pass the FSC/ETI bill without any unrelated amendments on it. There is some resistance on this side of the aisle to repeatedly voting over and over again on amendments upon which we have already had a vote.

That having been said, I fully understand what the Senator is saying, that they would like to have a vote on the overtime issue. I don't think that is necessarily the view of everyone on that side of the aisle but may well be the view of the majority on that side of the aisle.

PROGRAM

Mr. MCCONNELL. Mr. President, on Monday, the Senate will begin consideration of the budget resolution. Senator NICKLES and Senator CONRAD will be here on Monday morning to kick off the debate on that important matter and receive any amendments that may be offered on Monday.

It is the intention of the managers to have a full day of debate on the resolution during Monday's session. At this time, I will say that rollcall votes are possible Monday evening. A vote or votes may occur in relation to amendments on the budget resolution or judicial nominations. We will alert Members when a vote becomes locked in for a certain time.

I remind my colleagues that under budget procedures, there will be up to 50 hours of debate on the resolution, and we will complete action on the budget prior to adjourning for the March recess. Therefore, our colleagues should expect a very busy week next week with late night sessions and votes throughout the week. I encourage all Members to arrange their schedules accordingly.

ADJOURNMENT UNTIL MONDAY, MARCH 8, 2004

Mr. MCCONNELL. 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 7:02 p.m. adjourned until Monday, March 8, 2004, at 12 noon.

EXTENSIONS OF REMARKS

TRIBUTE TO JOHN J. BOYLE

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. NEY. Mr. Speaker, today in Arlington National Cemetery, John J. Boyle, a veteran of World War II who was the first employee of the U.S. Government Printing Office (GPO) to rise through the ranks to become Public Printer of the United States, was laid to rest. Jack Boyle, as he was known to his friends at the GPO, on Capitol Hill, and throughout the American printing industry and library community, had an impressive career that deserves our recognition.

Boyle came to the GPO in 1952 as a proofreader following an apprenticeship in his native Pennsylvania. In 1954, he became a reviser and in 1960, he was named principal technical assistant in the GPO's Office of the Superintendent of Composing.

Boyle was an early and vigorous advocate of applying electronic printing technologies at the GPO to meet Congress's printing needs more efficiently and effectively. With the support of the Joint Committee on Printing, electronic printing was introduced at the GPO in 1963 and Boyle was selected to develop and coordinate all phases of its operation. The following year, he was appointed Special Assistant to the GPO's Production Manager for Electronic Printing. Subsequently, Boyle worked to establish the GPO's Electronic Photocomposition Division, which over the ensuing decade evolved into the largest and one of the most modern photo typesetting facilities in the entire printing industry.

For his leadership capabilities, Boyle was promoted to Deputy Production Manager for Electronics in 1971. In 1972, he was detailed as Production Manager and a year later Public Printer Thomas McCormick named him Deputy Public Printer. He served in that capacity until 1977, when he was nominated and confirmed by the Senate as the 19th Public Printer of the United States, the first of the GPO's own employees ever to attain that position. As Public Printer, he continued modernizing the GPO's operations, gaining widespread respect in Congress, federal agencies, throughout the printing and paper industries, the library community, and from the GPO's employees. He retired from the GPO in 1980.

Well known throughout the commercial printing industry, Boyle lectured in the United States and in England on new processes in printing. He was an original member of the federal Electronic Printing Committee that was created in 1962 as an advisory committee to the Joint Committee on Printing.

Boyle was a member of the Washington Club of Printing House Craftsmen, the Washington Litho Club, and the Franklin Technical Society. He served as a member of the Graphic Arts Advisory Committee of the Rochester Institute of Technology's College of Graphic Arts and Photography, and the Advisory Committee of the University of the District of Columbia. He was on the Board of Directors of the Graphic Arts Technical Foundation and the Washington School of Printing.

In 1977, Boyle received the Horace Hart Award of the Education Council of the Graphic Arts Industry in recognition of distinguished public service in the field of printing and publishing. He was elected to membership in the Walter E. Soderstrom Society of the National Association of Printers and Lithographers and was an honorary life-time member of the International Printers Supply Salesman's Guild. In 1979, Boyle received the Gold Key Award from Gamma Epsilon Tau in New York City and was made an honorary member of that printing fraternity. In 1980, he received the Joint Graphic Communication ''Man of the Year'' Award from the organization of seven Washington, DC, graphic arts associations. In addition to work with these organizations, he devoted much of his personal time to speaking at meetings of craftsmen's clubs, litho clubs, and printing industry associations throughout the country on the need for retraining of personnel and for increasing management skills.

A veteran of World War II, Boyle served in the U.S. Army from 1941 to 1945 and was with the First Armored Division in the North African Campaign. He was a prisoner of war for two and a half years in Italy and Germany.

Boyle is survived by his wife Jeanne; two children, Sarah Sundstrom of Baltimore, MD, and Robert Boyle of Charlottesville, VA; a brother; and five grandchildren.

Boyle's pioneering leadership in helping to bring electronic printing technologies to the GPO resulted in improvements that continue to benefit Congress, federal agencies, and the public to this day. He gave many years of dedicated service to the public through his work at the GPO, and later, through his distinguished leadership of that agency. On behalf of the Joint Committee on Printing, we sincerely appreciate his contributions and offer our heartfelt condolences to Mrs. Boyle and her family.

HONORING THE MEN AND WOMEN OF THE DRUG ENFORCEMENT ADMINISTRATION ON ITS 30TH ANNIVERSARY

SPEECH OF

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 2004

Mr. HASTINGS of Florida. Mr. Speaker, I rise today in support of H. Res. 412, a resolution honoring the men and women of the Drug Enforcement Administration on the occasion of its 30th anniversary.

The illegal drug market in the United States is among the most lucrative in the world. The market is fueled by diverse groups of people within and outside the borders of our nation. The work done by the men and women of the DEA is rarely amply recognized despite the integral role they play in curbing the illegal drug market and its harmful repercussions to our communities across the country.

The South Florida district which I represent, has in the past been faced with a formidable threat from drug trafficking. It was then, as it is now, the men and women of the DEA who tackled that threat. With their active and relentless efforts, they have drastically decreased it. However, they do this often at a great sacrifice.

We should never take for granted that there are individuals who risk their lives on a daily basis with the work that they do in order to create a safer environment for us all. That numerous DEA employees have died in service reflects the dangerous conditions in which these individuals have chosen to work and their admirable dedication to safeguarding our nation from the threat posed by the illegal drug market.

Thus, I urge all of my colleagues to vote favorably for the passage of H. Res. 412 and in so doing join me in congratulating the DEA for its 30th anniversary, and honoring and thanking all of the employees of the DEA for the invaluable work that they do in protecting this nation.

TRIBUTE TO THE LAWRENCE PUBLIC LIBRARY ON ITS 100TH ANNIVERSARY

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MOORE. Mr. Speaker, I wish to extend my sincere congratulations to the Lawrence Public Library of Lawrence, KS, which is located in my congressional district. For 100 years, this important and valuable local institution has provided public service, access to books and other informational materials, cultural enhancement and contributions to community development in Lawrence. It is a remarkable achievement to celebrate a century of service and the staff and supporters of the Lawrence Public Library over the past 100 years are to be congratulated.

An enlightened citizenry is the cornerstone of our American democracy. Access to information is an important right of all citizens, and our public libraries play a key role in assuring free and equal access to information. In this and many other regards, a public library is an example of democracy at its finest.

Thank you for your outstanding, vital service to the community of Lawrence and the northeast region of the State of Kansas. It will be exciting to see what the coming decades bring in terms of public library service; I am certain that the fine staff and board of the Lawrence Public Library will be equal to the task of ever adapting, and continually expanding technologies, collections and services. I know I join with all Lawrence residents in offering my best wishes for your future success.

RECOGNIZING THE 20TH ANNIVERSARY OF CLEAN OCEAN ACTION

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. HOLT. Mr. Speaker, Clean Ocean Action, an organization dedicated to the protection of the coast of New Jersey and Long Island, celebrated its 20th anniversary on February 26th.

When COA was formed, there were eight ocean dumping sites off the coast of New Jersey and Long Island where all kinds of pollutants were dumped—sewage, dredge spoils, industrial waste, even toxic waste.

COA made it their primary goals to close these sites and find environmentally-friendly alternatives to ocean dumping. This was the time when New Jerseyans were first becoming aware of the serious consequences of ocean dumping—the impacts on marine life, the fishing industry, tourism, and the health and safety of the countless residents and visitors who enjoy the Jersey shore every summer.

Thirteen years later, COA achieved these goals when then-Vice-President Gore announced an agreement closing the dumping sites and creating the Historic Area Remediation Site to remediate the effects of the dumping.

COA, under the noteworthy leadership of Cindy Zipf, has not rested on its laurels, however. Today, they continue to take steps to protect the shore from leading beach cleanup efforts to lobbying Congress. I worked closely with them to fight against provisions slipped into the energy bill that would reverse the progress made towards keeping our shores clean.

COA marked its 20th anniversary by announcing an effort to create a Clean Ocean Zone off the coasts of New Jersey and Long Island, permanently protecting the ocean that is so valuable to New Jersey residents.

I salute COA for 20 years of hard work and effective work, and I would like to take this opportunity to bring to the attention of my colleagues this success towards cleaning up our shore areas. Now is not the time to reverse the progress of the last two decades.

IN HONOR OF JOHN O'DONNELL

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor John O'Donnell for his years of service and appointment as Grand Marshall of the 23rd Annual St. Patrick's Day Parade on March 21, 2004. Mr. O'Donnell was honored by the Bayonne Saint Patrick's Parade Committee at the annual Grand Marshall Brunch at 11 a.m. on Sunday, February 22, 2004, at the Chandelier Restaurant in Bayonne, New Jersey.

Mr. O'Donnell has been an active member of the Bayonne Saint Patrick's Parade Committee since 1988. For 15 years Mr. O'Donnell has been a hard working, dedicated, and true proponent for the promotion of Irish culture through the annual parade. Mr. O'Donnell is a member of Ireland's 32 of Bayonne since 1984, serving as Secretary from 1990 to 1991 and as President from 1994 to 1996.

John O'Donnell displayed his leadership and commitment to promoting Irish culture by helping to save the annual post-parade party in 1993. His innovative idea of seeking financial support from local businesses helped preserve the tradition. Mr. O'Donnell is an active member of the Ancient Order of Hibernians Division #8 of Hudson County, serving as Vice President from 1998 to 1999 and President from 1999 to 2003.

Mr. O'Donnell is currently Sergeant with the Port Authority Police of New York and New Jersey. He is also the Offensive Coordinator for Saint Peter's High School Freshman Football team. Previously, Mr. O'Donnell was an English instructor at Marist High School from 1986 to 1988.

Mr. O'Donnell received his bachelor's degree and Master's Degree in Education from Seton Hall University. Mr. O'Donnell is a loving husband to his wife, Kathleen O'Donnell, and dedicated father to his six children, John Richard, Kelsey Marie, Shannon Kathleen, Tara Mary, Meghan Elizabeth, and Liam Charles.

Today, I ask my colleagues to join me in honoring John O'Donnell for his distinguished public service, his dedication to promoting Irish culture in the City of Bayonne, and his outstanding leadership and devotion to his community.

COMMEMORATING NATIONAL PEACE CORPS WEEK

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Ms. WOOLSEY. Mr. Speaker, I rise today to commemorate National Peace Corps Week, which runs from March lst through the 7th.

In our currently expanding global community, it is important to recognize the integral role that the Peace Corps has played in our past, as well the vital role it will continue to play in our future. As our interaction and interdependence on many foreign countries continues to show its relevance to our own welfare, it is important that the United States have a network of ambassadors like the Peace Corps Volunteers to connect on a local level with citizens of other nations.

With a history dating back to 1961, and a portfolio serving 137 countries, the Peace Corps can boast over 170,000 Peace Corps Volunteers Alumni, who have worked around the globe promoting world peace and friendship. There are currently over 7,500 Volunteers serving in 71 countries, which represents the highest number of Volunteers in the past 28 years.

I am proud to say that the 6th Congressional District of California currently has 39 of its own as Peace Corps Volunteers. They are, in alphabetical order and followed by the countries in which they serve: Emily A. Alden, Tanzania; Nicole M. Arnone, Madagascar; Marion Basel, Ghana; Laura Brinkoetter, Bangladesh; Christine Callinan, Micronesia; Jenifer Clover, Uzbekistan; Ryan E. Crew, Swaziland; Janice M. Crowe, Bulgaria; Lindsay C. Culp, Philippines; Kathryn E. Davis, Namibia; Katie M. Delahunty, Nicaragua; Charles S. Dietrich, Paraguay; Keith B. Ebright, Zambia; Jacob E. Fleming, Kyrgyzstan; Jennifer C. Galvin, Samoa; Alexandra, Geary-Stock, Swaziland; Tamara M. Gelvin, Morocco; Marcus A. Hawkins, Ukraine; Andrew B. Huston, Nepal; Joy Jacobs, Dominican Republic; Michael Y. Lee, Samoa; Laura J. Leones, Eastern Caribbean; Nickolette D. Patrick, Ukraine; Andrea R. Rask, Eastern Caribbean; Sara B. Riese, Burkina Faso; Leslie A. Schafer, Kenya; Sarah E. Schumacher, Macedonia; Mairead J. Schwab, Ghana; Jeremy B. Smith, Paraguay; Suzanne D. Smith, Philippines; Visalia T. Stanley, Haiti; Jill M. Talmage, Bulgaria; Eric J. Tawney, Vanuatu; Jenny K. Tegelvik, Honduras; Brian C. Vaughn, Nicaragua; Sarah F. Wiens, Kyrgyzstan; Tami M. Williams, Nicaragua; Heather J. Windom, Macedonia; Kenji A. Wright, Panama.

Mr. Speaker, I ask my colleagues to join me in commemorating National Peace Corps Week and honoring the men and women who have committed years of their lives to make our world a better place. It is with this sustained dedication, that lives will be changed, terminal diseases defeated, and poverty eradicated for citizens in every corner of the globe. I commend these brave and unselfish Volunteers and the spirit with which they are affecting change.

HONORING OHIO'S 21ST CENTURY LEARNING CENTERS

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. NEY. Mr. Speaker, on behalf of the Ohio delegation, I rise today to acknowledge and commend the accomplishments of the Ohio Department of Education and Dr. Mary Lou Rush for their work implementing Ohio's 21st Century Community Learning Centers.

Ohio's 21st Century Community Learning Centers offer programs and services that benefit the educational and related health, social services, cultural, and recreational needs of our communities. These centers provide academic enrichment opportunities to help students and to meet state and local student performance standards. In addition, they offer students a broad array of additional programs and activities, such as youth development activities, drug and violence prevention programs, counseling programs, art, music and recreation programs, technology education programs, and character education programs.

Dr. Rush, and those like her throughout the State of Ohio, are ensuring that all children, regardless of ethnicity, income, disability, or geographic location will meet with academic success. I am including in the RECORD a recent letter to Dr. Rush signed by members of the Ohio delegation to honor her accomplishments.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 27, 2004.

Dr. MARY LOU RUSH,
Ohio Department of Education,
Columbus, Ohio.

DEAR DR. RUSH: We are pleased to recognize Ohio's 21st Century Community Learning Centers and their commitment to excellence in education.

It is with great pleasure that we acknowledge and commend the Ohio Department of Education as the national leader in 21st Century Community Learning Center program implementation. In particular, we want to commend you for your exemplary leadership in developing Ohio's network of safe and supportive learning environments for all children, both during and outside the traditional school day. A tireless and committed advocate, your singular ability to focus Ohio's diverse communities on the educational needs of all children is assuring that Ohio's education system is the best in the nation.

On behalf of the Ohio delegation, we extend our thanks to the Ohio Department of Education for supporting a program that has impacted the lives of so many children. We congratulate the individuals behind the 21st Century Community Learning Center program and wish them continued success in their efforts to create appropriate educational opportunities for the children of Ohio.

Sincerely,

Members of Congress: Bob Ney, Marcy Kaptur, Sherrod Brown, Steve Chabot, Paul E. Gillmor, Stephanie Tubbs-Jones, Dennis Kucinich, Steven C. LaTourette, Robert Portman, Timothy J. Ryan, Ted Strickland, Patrick J. Tiberi, and Michael R. Turner.

SUPPORTING GOALS OF CERTAIN COMMUNITIES IN RECOGNIZING NATIONAL DAY OF REMEMBRANCE

SPEECH OF

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. HASTINGS of Florida. Mr. Speaker, I rise today in support of House Resolution 56. This bill supports the creation of a Day of Remembrance for persons of German, Italian, and Japanese descent who had their civil liberties egregiously curtailed by the United States Government during World War II.

This bill has important implications not only for these communities but also for all of us in this country. When our Nation was gripped by the fear of war coming to our shores, we made an unconscionable mistake in the form of Executive Order 9066. Signed on February 19, 1942, this order restricted the freedom of Japanese-, German-, and Italian-Americans along the west coast. Members of these communities were forced to carry identification cards, had travel restrictions, and found their personal property seized with little pretense and no due process. Families of citizens and legal residents alike were forced to leave their homes and live in deprivation behind barbed wires and guard towers in internment camps.

History has taught us that the United States was wrong to utterly obliterate civil liberties during World War II. The fear of spies and saboteurs was unfounded. It turns out that, though gripped by the most destructive and most divisive war of the 20th century, the United States had little to fear from American citizens of ethnic backgrounds. The infringement of constitutional rights for the stated purpose of homeland security was based more on racial discrimination than a credible security threat.

Japanese-, German-, and Italian-Americans deserve, at the very least, a Day of Remembrance, not only to ensure that the memory of this terrible time period lives on in their respective communities, but also to ensure that all Americans are aware of the grievous mistakes committed in the name of security. We all have important lessons to learn from the internment camps.

Mr. Speaker, the internment camps were one of the worst travesties this Nation has ever committed. We must learn from this shameful episode and apply these lessons for the future. Today we face our own war on terrorism and phrases like ''homeland security,'' ''terrorist cells,'' and ''imminent threat'' have become commonplace. The security of this great Nation can only be safeguarded if America's basic values are also defended. In pursuit of security, we must never threaten the rights of liberty and freedom that are guaranteed by the Constitution. We must not hold an entire culture or society responsible for the actions of a few members. We must not restrict the rights of everyone for fear of a few. Above all, we must make every effort to ensure the stability of our Constitution even during the difficult times of war and terror.

TRIBUTE TO GERRY GETTY

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MOORE. Mr. Speaker, I want to take a moment to recognize the recent passing of Gerry Getty, a noted elementary school teacher and community leader in Franklin County, Kansas, which is located just to the south of the Third Congressional District of Kansas.

Gerry Getty taught elementary school for 32 years, was active in the National Education Association, and founded the Franklin County Literature Festival. I am saddened by her death at the young age of 53 and want to bring to the attention of our membership an article about her that ran in the Ottawa Herald on February 12th and her obituary from the Topeka Capital-Journal of February 13th. Dedicated educators like Gerry Getty are essential to the success of our children and grandchildren. Through their selfless work on behalf of their students they foster a love of learning within our local communities. I commend Gerry Getty to my colleagues in the House and I hope we all will be inspired by her efforts to make life better for her students and for her neighbors in Franklin County.

[From the Ottawa Herald, Feb. 12, 2004]

LITERATURE FESTIVAL FOUNDER DIES

(By Andy Gassaway)

Gerry Getty, a retired elementary teacher and founder of the annual Franklin County Literature Festival, died Wednesday after a long illness. She was 53. She spent 22 of her 32 years as an educator teaching elementary students in the Central Heights school district, instituting the district's Parent-Teacher Organization and its Reading Is Fundamental program, in which students received free books to take home each year.

''When she saw something she thought would be good for kids, she went for it,'' Vickie Hall, Lincoln Elementary fifth grade teacher, said. ''She has left quite a legacy of the love of literature.''

She graduated from Kansas State Teaching College in Emporia in 1971. In 1992, she received a master's degree from Kansas State University. Before coming to Franklin County, Getty taught in Overbrook, and Tipton. During her tenure at Central Heights, she also taught adult classes at Neosho County Community College's Ottawa campus.

Beginning in 1994, Getty organized a literature festival at Central Heights that brought children's authors to the area to meet with students. In 2002, the event was transplanted to Ottawa University and included students from all of Franklin County.

''She had a passion for reading,'' Steve Getty, her husband, said. ''Her dream was for every student to be able to read. She wanted to bring it home to Franklin County, and wanted all students to see the wonderful world of literature, meet authors and bring a little culture to their lives.''

Last year, the event brought together more than 1,500 students on the OU campus to visit with 13 authors, illustrators and storytellers who took the day to discuss their craft with the young readers. Steve Getty said his wife enjoyed reading the same books she read to her students. Her favorite authors included Mary Downing Hahn and Vicki Grove, he said.

Getty led the way in affiliating the local teachers' association with Kansas National Education Association and National Education Association in 1990. She served several years as president of the association and its negotiating team, and was a delegate to the state convention and three national conventions during her tenure. Her efforts earned her the Viking of the Year award, as voted upon by her fellow teachers at Central Heights. Other honors included being recognized in Who's Who Among America's Teachers, the 2001 Outstanding Reading Educator award from the Franklin County Reading Council and the 2002 Kansas Reading Association Professional Literacy Award.

''She's a very well-respected teacher,'' Central Heights elementary principal Mary Bogart said. ''She may have led a short life, but she was a real doer.''

Funeral Mass will be at 10 a.m. Monday at Sacred Heart Catholic Church, Ottawa.

Getty has been cremated. A Rosary will be said at 2 p.m. Sunday at Dengel & Son Mortuary, Ottawa, followed by a family visitation.

[From the Topeka Capital-Journal, Feb. 13, 2004]

GERRY ANN GETTY

Gerry Ann Getty, 53, Ottawa, died Wednesday, Feb. 11, 2004, at the University of Kansas Hospital, Kansas City. Funeral mass will be 10 a.m. Monday at Sacred Heart Catholic Church with the Rev. Tod Ziegler officiating.

She was born July 21, 1950, to Mathias and Marie (Haug) Roeder in Seneca. She grew up on a dairy farm in Nemaha County. She graduated from Baileyville-Benedict High School in 1968. She graduated from Kansas State Teachers College, Emporia, in 1971. In 1992, she received a master's degree from Kansas State.

She married Steven Getty on Oct. 3, 1970, at Seneca. He survives.

She was an elementary school teacher for 32 years. She taught in Overbrook, McDonald, Tipton and Central Heights. She also taught adult classes at Neosho County Community College's Ottawa campus.

She was a member of Sacred Heart Catholic Church. She founded the Franklin County Reading Festival in 2000. She was president and chief negotiator for her local chapter of the National Education Association and served as a national delegate. She received several education awards, including Who's Who Among America's Teachers, 1995 Viking of the Year, 2001 Outstanding Reading Educator from the Franklin County Reading

Council, and the 2002 Kansas Reading Association Professional Literacy Award.

Her survivors also include two sons, Brent Getty, Lawrence, and Marc Getty, Kansas City, Mo.; three brothers, Larry Roeder, Hiawatha, Dan Roeder, Overland Park, and Dave Roeder, Washington, D.C.; and two sisters, Kathryn Roeder, Pittsburgh, Pa., and Karen Underwood, Los Angeles.

Her body was cremated. Rosary will be recited at 2 p.m. Sunday at Dengel & Son Mortuary, where the family will meet friends immediately following. Family inurnment will be later.

A memorial has been established with the Franklin County Literature Festival. Condolences may be e-mailed to the family through dengelmortuary@sbcglobal.net.

UNITED STATES PATENT AND TRADEMARK FEE MODERNIZATION ACT OF 2003

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. HOLT. Mr. Speaker, yesterday this body passed the United States Patent and Trademark Fee Modernization Act (H.R. 1561).

H.R. 1561 will begin outsourcing the U.S. Patent and Trademark Office's patent search function and it will increase the fees for inventors to obtain a patent or trademark. Yesterday's passage of H.R. 1561 will also lead to decreased efficiency and accountability in the process of granting patents and trademarks.

Article I, Section 8 of the U.S. Constitution grants the federal government the responsibility to ''promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.'' H.R. 1561 increasingly shifts this function out of the hands of the federal government and delegates more of it to private commercial entities. What's more, due to the ambiguous language of the bill, these jobs could end up overseas. Congress should defend the integrity of the U.S. Constitution and the employment prospects of American workers.

As my colleagues may know, I hold a patent for a system to generate solar energy. That experience sensitized me to the reality that many of the most ground-breaking ideas and products that need patent or trademark protection come from small inventors or college or university laboratories. Therefore, it is vital that the financial hurdles for application and receipt of patents do not exceed the means of these inventors. H.R. 1561 would increase the fees that small entities must pay in order to obtain a patent or trademark, and the impending outsourcing will force the fees up again in the future. That burden will slow innovation. I recognize the need to pass meaningful legislation that will help the USPTO to alleviate their backlog of pending patent and trademark applications, in order to efficiently serve the innovators that keep this nation moving forward. Rather than achieving this worthy goal, this bill will make it more difficult for American inventors to obtain the legal protection that they and their products deserve. As much as I would like to see the work of the USPTO improved, I could not support H.R. 1561.

IN HONOR OF ALAN APFELBAUM

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Alan Apfelbaum for his years of service and dedication to the Jewish community. Mr. Apfelbaum was honored at the 51st Annual Sustaining Dinner Dance on Saturday, November 1, 2003, at the Bayonne Jewish Community Center in Bayonne, New Jersey.

Mr. Apfelbaum has been an active member of the Bayonne Jewish Community Center for over thirty years. He is a past president and a prior honoree at the Annual Dinner. Mr. Apfelbaum chaired the Nominating, Day Camp, Policy, and Scholarship committees, as well as the Louis Greenberg Lecture Series for the Bayonne Jewish Community Center.

Mr. Apfelbaum's commitment to the Jewish community led him to serve as president of the Bayonne Zionist District and the South Hudson Lodge of B'Nai B'rith. He served as chairman of the United Jewish Appeal Campaign, and is also a dedicated member of the Jewish War Veterans and the Holocaust Remembrance Day Committee.

Mr. Apfelbaum is a veteran of the Vietnam War, serving one tour of duty. After his service, Mr. Apfelbaum joined the Army Reserves in 1976 until his retirement in 1998 with the rank of Sergeant Major. Mr. Apfelbaum has received several commendations for his bravery and service to his country, such as the Army Good Conduct Medal, United States Army Commendation Medal, Bronze Medal, Air Medal, and Vietnam Service and Campaign Medals.

Mr. Apfelbaum is currently the supervisor of the Social Services Department at the Hudson County Correctional Facility in Kearny. Previously, he was the owner of Bargain Bin, a small business in Bayonne from 1987–1994.

Mr. Apfelbaum graduated from his native Bayonne High School, and received his bachelor's degree in Hebraic Studies from Rutgers University. Mr. Apfelbaum also holds a Master's Degree from New Jersey City University in Student Personnel Services.

Today, I ask my colleagues to join me in honoring Alan Apfelbaum for his dedicated service to his country and his outstanding contributions to the Jewish community in Bayonne.

HONORING REVEREND GLENDA HOPE

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Ms. WOOLSEY. Mr. Speaker, I rise today to honor Reverend Glenda Hope who is receiving the TenderChamp Award from the Central City Hospitality House in San Francisco. Rev. Hope has been a tireless advocate for the poor and homeless and is deservedly being recognized for her unwavering leadership, inspiration, vision and energy.

Central City Hospitality House is an organization that serves the homeless community in San Francisco's Tenderloin district. The TenderChamp award has been given out to organizations and individuals for their work in the Tenderloin community since 1986.

Glenda is the Executive Director of San Francisco Network Ministries. She, with seven others, founded Network Ministries in 1972 and under her leadership the organization reaches thousands of poor and homeless people through programs that address a wide array of issues related to poverty. San Francisco Network Ministries received the TenderChamp award in 1989 for ''nourishing the spirit of the poor and being their advocate of change.'' It is fitting that Glenda is being individually recognized for the depth and longevity of her work.

Rev. Hope attended San Francisco Theological Seminary and after graduating in 1969 she was ordained at Old First Presbyterian Church in San Francisco. She served as their Assistant Pastor from 1969–1972, then as Pastor to Seventh Avenue Presbyterian Church from 1978–1989.

Glenda has had a long career in community service, working with Northern California Committee Against More Prisons, Tenderloin AIDS Network, the San Francisco Homeless Task Force and as the Chairperson to the General Assembly's Task Force to Persons in the Armed Forces.

Mr. Speaker, Rev. Glenda Hope has been an active and outspoken community leader for her entire life. Her efforts on behalf of the community's less fortunate reflect the heartfelt compassion that infuses her life and her work. I am proud of her and I am honored to be her friend.

PAYING TRIBUTE TO PETE DAGUERRE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. McINNIS. Mr. Speaker, it is truly a privilege to take this opportunity to pay tribute to Pete Daguerre, a remarkable woman who has overcome great obstacles in her life to serve her community. Pete, a resident of Montrose, Colorado, was diagnosed with Multiple Sclerosis over forty years ago, but despite the effects of this debilitating disease, she has thrived as a successful writer and public servant. I would like to take this opportunity to recognize her accomplishments and her strength to overcome difficult obstacles before this body of Congress and this nation today.

Pete was already an accomplished writer before she was diagnosed with MS. Refusing to remain idle as the effects of the disease began to set in, she instead concentrated on her writing as a means of coping with the disease. Pete has spent over twenty years writing columns for the Montrose Daily Press that serve to inform its readership of activities in not only her nursing home but in other homes around the community. In addition to her writing, she has remained active in public service, and continues to volunteer her time for the greater good of her community. Pete served as the Ouray County public treasurer for six years, and is now vice-president of the residency council at the San Juan Living Center.

Mr. Speaker, it is quite clear that Pete Daguerre is a person of unparalleled dedication and commitment to her life-long pursuit of

writing and serving her community as a public servant. Pete's love of writing and positive attitude throughout her life serves as an inspiration to all, and it is my special honor to thank her for her service to her community before this body of Congress and this nation today.

GOP FIGHTING FOR AMERICA'S VETERANS

HON. MICHAEL C. BURGESS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. BURGESS. Mr. Speaker, I want to discuss how President Bush and this Republican Congress have fought to honor America's veterans.

After 18 years, that's nine legislative sessions, I am proud to say under the leadership of Congressman MICHAEL BILIRAKIS the Republicans are the only ones who can claim credit for allowing disabled military retirees to concurrently receive their full disability compensation and retirement benefits. We corrected the flaw in a 100-year-old law.

For the first time, because of Republicans, our country's wounded warriors, those who were injured in combat, while training for combat, or who are 50 percent or more disabled as a result of service-connected causes, will receive both the disability compensation and retirement pay they have earned.

According to the most recent Congressional Budget Office (CBO) estimates, full concurrent receipt would cost approximately $41 billion over the 10-year period between 2004 and 2013. Almost 700,000 retirees will be eligible in FY 2004 alone.

Mr. Speaker, I am proud that our Republican colleagues in the House and Senate have fought to ensure that America's veterans get what they deserve.

TRIBUTE TO RADNOR GIRL SCOUTS

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. WELDON of Pennsylvania. Mr. Speaker, I want to pay tribute to the Radnor Girl Scouts during their visit to our Nation's capital today. The girls and teens, ages 8 to 16, representing 10 girl scout troops and 11 schools, will participate in a program called Tomorrow's Leaders. In addition, the Radnor Girl Scouts have worked with the White House Project, Ms. President Patch for Girl Scouts, an organization that is changing the way people think about women in leadership roles. Girl Scouts of the USA started this new program, a nonpartisan organization dedicated to advancing women's leadership in government at all levels.

Girl Scouting was introduced in 1912 as a way to introduce new experiences and adventure to young girls, while helping them develop a positive self-image and important leadership skills. More than ever before, our country needs the support of organizations like the Girl Scouts of America to help build stronger families, neighborhoods, and communities. Those of us in the Seventh Congressional District of Pennsylvania are proud of the example and dedication of the Radnor Girl Scouts and congratulate them on the outstanding work they are doing. During their visit to our Nation's capital, they will learn vital lessons of leadership and service to prepare them to make significant contributions in all aspects of the life of our Nation.

Our great Nation will continue to grow and prosper as we uphold and encourage young people, such as the Radnor Girl Scouts, as symbols of hope, possibility, and personal excellence.

I ask my colleagues to join me in congratulating the Radnor Girl Scouts for their excellent work.

IN RECOGNITION OF NATIONAL PEACE CORPS WEEK

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. STARK. Mr. Speaker, today I rise to recognize the numerous achievements of the Peace Corps during National Peace Corps Week from March 1–7, 2004.

I commend the Peace Corps for its 43 years of attentive humanitarian service and contributions around the world. Since its inception in 1961, the Peace Corps has served to promote a mission of world peace throughout the 137 countries where its volunteers have diligently served. The work of these volunteers has become more vital today than ever before, with many Americans interested in humanitarian service, and a multitude of host countries eagerly awaiting their arrival.

Currently, more than 75,000 volunteers are serving in 71 countries around the world. This number includes five volunteers from California's 13th District: Julie Chang (Mali), Sarah Knueven Brett (Haiti), Rosalind Lwin (Kenya), Brian Stanke (Romania), and Judy Wong (Ukraine). These volunteers share their time and talents as teachers, advisers, agriculture and youth workers, and health educators in the countries where they serve.

During National Peace Corps Week, I am proud to honor the American men and women who are selflessly eager to serve our Nation by fulfilling the mission of the Peace Corps. The noble actions of these volunteers have empowered people in developing countries through their grassroots development efforts.

I urge my colleagues to join me in commending the Peace Corps on its 43rd anniversary for its continuing humanitarian efforts throughout the world.

FCC COURT RULING ON PRICING OF PHONE LINES

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. FROST. Mr. Speaker, I applaud the decision of the U.S. Court of Appeals for the D.C. Circuit on ''UNE–P'' pricing of wholesale phone lines.

Mr. Speaker, telecommunications companies are set to invest billions of dollars in network infrastructure—investment that will help the weak economy and create and preserve jobs—but the current regulatory environment restricts growth and investment in the telecom sector.

With this decision, the FCC should play a major role, as envisioned by Congress in passing the 1996 Telecom Act, of stimulating technological innovation, preserving quality universal service, and creating new jobs in a vital, growing, competitive industry.

PAYING TRIBUTE TO NEIL McDONALD

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Neil McDonald for the extraordinary patriotism and valor that he demonstrated in the service of his nation. Neil was a gunner in a Navy helicopter crew in Vietnam and in recognition of his actions, was recently inducted into the Navy Enlisted Combat Aircrew Roll of Honor. This incredible honor is a testament to Neil's courage, and I would like to take this opportunity to recognize him before this body of Congress and this nation today.

This amazing honor is the manifestation of his many selfless and brave actions during the time he spent flying in combat overseas. The distinction of being inducted in to the Navy Enlisted Combat Aircrew Roll of Honor is one of the highest honors that can be bestowed for those enlisted Navy, Marine, and Coast Guard aircrewmen who flew in combat in all wars and served with distinction. Neil McDonald now joins only six hundred and fifty fellow patriots that have been selected for this honor. During the eighteen months he spent abroad, Neil flew in over five hundred combat missions and earned many combat decorations which include the Purple Heart, single action Air Medal, the Silver Star, and many personal and unit citations.

Mr. Speaker, it is quite clear that Neil McDonald is a man who possesses unparalleled dedication and commitment to serving his country. His life is the very embodiment of what makes this country great, and it is my distinct pleasure to honor Neil before this body of Congress. Thanks for your service to this country.

HONORING WILLIAM McGEE OF SANTA ROSA, CALIFORNIA

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Ms. WOOLSEY. Mr. Speaker, I rise today to honor William McGee of Santa Rosa, California, who died Sunday at the age of 79 of injuries suffered in a bicycle accident. Bill was an experienced and avid bicyclist as well as long-distance runner, bread baker, counselor, poet, photographer, philosopher, and retired junior college instructor.

This list does not begin to describe the warm, wise, and caring person that Bill was to

his wife, Alice Waco, and to all of us who knew him. Friends will long remember the twinkle in his eye and the special comfort brought by the delivery of his own home-baked bread and a few lines of poetry in time of need.

Born in Marquette, Michigan, in 1925, Bill, whose father died when he was four, took a bakery job six years later to help support his family. His interest in spiritual matters drew him to attend a Catholic seminary in Milwaukee, Wisconsin. He was ordained a Catholic priest in 1956, and spent most of his priesthood at the University of Michigan in Houghton. There he founded the Newman Center to serve Catholic students.

Later Bill attended UC Berkeley on a Fulbright theology fellowship, eventually joining St. Benedict's Deaf Center in San Francisco. Bill's life changed dramatically when he met Alice Waco, then a nun at the center. They soon discovered that they were soulmates and both seeking answers outside the church. They married in 1974. That same year, Bill began teaching Latin at Santa Rosa Junior College where he was known for singing Latin chants to his classes. He also earned a master's degree in alcohol studies and coordinated a DUI counseling program at the school until his retirement in 1992.

Bill also worked as a substance abuse counselor at the Orenda Center in Santa Rosa, and with his wife Alice, was active in the Sonoma County Peace and Justice Center.

Bill used his photography, and especially his poetry, to express his feelings about life. Cards to his friends combined both arts with his own unique humor and spiritual philosophy. One of Bill's poems, To Be An American, exemplifies his view that love and hope help us meet the complexities and challenges of life. It reads in part:

To be an American is a place beyond boundaries beyond vision, but a dream a possible dream:
when boundaries are dissolved
where perfect is growth
where imperfection is ours sometimes in a most perfect way.

To be an American is a place where everything and everyone is not yet, yet even though our brightest victories applaud sciences of war and peace in the echoes of machinery still making bombs and guns.

We are peoples mixed, melted and split with differences that make pork in government, doves and hawks outside of it, and truth come late.

To be an American is to grow in confusion of a world inside part of a world called these United States . . . in a milieu of men, women and children.

Where differences are different and similarities are never different; that each and everyone needs very little in life; a place to eat, a place to sleep, a place to die, and a lot of loving in between.

Bill is survived by his wife Alice Waco, brothers Jim and Chuck McGee, and sisters Alice Tyler and Pat Ley.

Mr. Speaker, I am proud to rise today to honor William McGee. He was a man whose spirituality was matched by his compassion. He was a unique individual whose life brimmed with kindness and creativity. I join with Bill's family and many friends in grief over his loss and happiness in having known him.

IN HONOR OF SISTER JUNE FAVATA

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Sister June Favata for her years of service and dedication to the young women of Saint Vincent Academy in Newark, New Jersey. Sister Favata was honored at the Celebration of the Life of Monsignor Geno Charles Baroni luncheon on Tuesday, November 25, 2003, at the North Ward Center in Newark.

Sister June Favata has been a Sister of Charity of Saint Elizabeth for 42 years, dedicating most of her time and focus to the education of young women at Saint Vincent Academy. Sister Favata began her career at Saint Vincent Academy as an English teacher in 1969. After years of hard work and innovative thinking, she became program director of the Administrative team in 1978, and assumed the position of administrative director in 1985.

For over 30 years, Sister Favata has helped to establish several interdisciplinary programs at Saint Vincent Academy, focused on preparing students for the rigors of college by promoting self-discipline, personal responsibility, and enhancing academic skills and work ethic. Sister Favata, along with other colleagues, spearheaded the Students-in Community Program, a tool used to integrate social responsibility with formal education. It is an opportunity for students to learn of the underlying causes of social issues, while volunteering and helping out their respective communities.

Sister June Favata has received several awards for her dedicated service to the City of Newark and Saint Vincent Academy, such as the Distinguished Secondary School Teacher Award in the State of New Jersey from Princeton University; Community Leadership and Service Award from Saint Benedicts Preparatory School; and the Miracle Maker Award from the United Way of Essex and West Hudson.

Sister Favata is a life-long New Jersey resident, and received her bachelor's degree in English from the College of Saint Elizabeth and her master's degree in Communication Art from the University of Notre Dame.

Today, I ask my colleagues to join me in honoring Sister June Favata for her dedicated and tireless service to her community and for 34 years of outstanding leadership to the students of Saint Vincent Academy of Newark.

PAYING TRIBUTE TO TERRY WINDNAGEL

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. McINNIS. Mr. Speaker, I am privileged to take this opportunity to pay tribute to Terry Windnagel for his extraordinary patriotism and valor during his service to this nation. Terry was a helicopter door gunner with the Navy Seawolves of Helicopter Attack Squadron Three, and as a result of his heroic efforts was recently inducted into the Navy Enlisted Combat Aircrew Roll of Honor. This special honor is a testament to Terry's patriotism, and I would like to take this opportunity to recognize him before this body of Congress and this nation today.

The distinction of being inducted into the Navy Enlisted Combat Aircrew Roll of Honor is one of the highest honors that can be bestowed on an enlisted member of the military who served as an aircrewmen, flew in combat, and served with distinction. As a result of his many selfless and brave actions during the time spent in combat, Terry Windnagel now joins a select group of only six hundred and fifty fellow patriots that have been selected for this honor. While serving abroad, Terry flew in over five hundred combat missions, and earned many combat decorations, including the Purple Heart, single action Air Medal, combat action ribbons, and many personal and unit citations.

Mr. Speaker, it is quite clear that Terry Windnagel is a man who possesses unparalleled dedication and commitment to serving his country. His life is the very embodiment of what makes this country great, and it is my distinct pleasure to honor Terry before this body of Congress and this nation today. Thanks for your service to this country.

CONGRATULATING THE ELK RIVER ELKS ON THEIR VICTORY IN THE MINNESOTA STATE HIGH SCHOOL CLASS DOUBLE–A GIRLS HOCKEY TOURNAMENT

HON. MARK R. KENNEDY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. KENNEDY of Minnesota. Mr. Speaker, I rise today to congratulate the Elk River Elks on their victory in the Minnesota State High School Class Double-A Girls Hockey Tournament. The championship game on Saturday, February 28th, capped the 10th year that girls hockey has held a state tournament.

The Elks finished a 29–2 season with a thrilling 3–2 overtime victory over North Saint Paul, before a crowd of almost 2,500 fans from across Minnesota. This was the first trip to the state championship game for both teams.

Coached by Barry Hohlen, the Elks came from behind to tie the game in the 3rd period on a goal by Erin Olson, her second of the game. 59 seconds into overtime, senior Anya Miller, a Ms. Hockey finalist, scored on a slapshot to give Elk River the title. Both Olson and Miller were named to the all-tournament team.

Mr. Speaker, I congratulate the students, coaches and fans from Elk River High School on their championship season. It's a great tribute to their hard work, dedication and overall team effort. I know that everyone in the State of Hockey is proud of their accomplishments.

HONORING HELEN M. HIESTAND FOR HER EXTRAORDINARY SERVICE TO THE SECOND AND SIXTH DISTRICT OF OHIO

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. PORTMAN. Mr. Speaker, I rise today to recognize my friend Helen Hiestand for her years of able and dedicated public service to the people of Ohio's Second and Sixth Congressiona1 Districts.

Helen served as my District Field Representative for over 6 years. In this role, she served as Service Academy Director; Caseworker; and my representative in the local communities.

Helen's hallmark is professionalism. Throughout her service, Helen not only became a vital member of our office team, she was known for her dedication and commitment to solving problems for people. Helen earned a reputation for keeping in close touch with our local communities and building bridges between people and the Federal Government. She met the highest standards for efficiency and responsiveness in completing casework; served as liaison with local, State and Federal agencies and liaison with local elected officials; and represented me at local events when Congressional business prevented me from attending.

Prior to her service to the Second District, she served former Congressman Bob McEwen as District Office Manager and former Congressman Frank Cremeans as District Representative and Office Manager in Ohio's Sixth Congressional District. We were fortunate to have her join my office in 1997 as District Field Representative.

Helen is also devoted to her family. Her husband, Ed; daughter, Janis; and son, Joe, are pleased that she now has more time to spend with them. Also very active in her church, Helen has served in the United Methodist Women organization; as a Circle Leader; with the Chancel Choir and as a soloist. She has also been active in Emmaus Community, an ecumenical organization.

Helen attended Riverside City College in Riverside, CA, and the University of Texas at Austin.

Although we miss her greatly, we are privileged to have worked with Helen. Her ethical and professional standards, commitment, and dedication have served the Second and Sixth Districts well. We wish her good health and much success in her retirement and whatever she chooses to do next.

CELEBRATING NATIONAL PEANUT MONTH

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to recognize National Peanut Month—a time to celebrate one of America's favorite snacks and an important sector of our agricultural economy. Roasted in the shell for a ballpark snack, ground into peanut butter or tossed in a salad or stir-fry, peanuts find their way into everything from breakfast to dessert.

National Peanut Month had its beginnings as National Peanut Week in 1941. It was expanded to a month-long celebration in 1974.

It is believed that peanuts originated as a food source in Brazil or Peru in about 950 B.C. The demand for peanuts increased in the United States during the Civil War, when soldiers used them as food. Today, Americans eat 2.4 billion pounds of peanuts each year.

Because peanuts are not nuts but legumes, they grow in the ground and not on trees. The peanut plant grows above the ground, but the actual peanuts grow below the ground. Depending on the variety, peanuts can be ready to harvest in about 4 to 5 months after planting.

George Washington Carver is considered by many to be the father of the peanut industry. He began his peanut research in 1903. He suggested to farmers that they rotate their cotton plants and cultivate peanuts.

According to the U.S. Department of Agriculture, nine states produce peanuts: New Mexico, Alabama, Florida, Georgia, North Carolina, Oklahoma, South Carolina, Texas and Virginia.

Valencia peanuts are an economic mainstay of the High Plains. Peanuts arrived in New Mexico in the early 1900s. The first Valencia peanut grown in the state was the Tennessee Red, named for its red seed coat. Valencias may derive their name from a connection to Valencia, Spain. Today, the primary varieties grown in New Mexico include Valencia A and Valencia C.

Until last year, my home state of New Mexico grew more than 80 percent of the Nation's Valencia peanuts. Valencias, sometimes called ballpark nuts, account for less than 1 percent of U.S. peanut production, but they have been a financial mainstay for many farmers in New Mexico for more than five decades.

Known for their sweetness, Valencias usually have three or more kernels per pod. Well suited to the eastern New Mexico region, the red-skinned peanuts have a shorter growing season than the three other market types: runner, Virginia and Spanish peanuts.

Valencia peanuts have been an almost perfect crop for eastern New Mexico, particularly Roosevelt, Curry and Lea counties. Valencias do so well in the Clovis-Portales area because they face much less disease pressure than in other states. Valencias also thrive in the area's sandy soils.

Many of our peanut farmers in New Mexico have struggled in recent years with a devastating drought. Nonetheless, in 2002, New Mexico's peanut producers still farmed 18,000 acres of peanuts valued at more than $10 million.

Because of the importance of the peanut sector to my state's economy and traditions, I have worked to see that our interests have a place at the table. The 2002 farm bill established an 18-member board to provide consultation to the U.S. Department of Agriculture on implementing the peanut provisions contained in that law.

I wrote a letter to President Bush urging him to appoint Wayne Hardin and Jimmie Shearer to the board. I made this recommendation after both gentlemen were recommended to me by the New Mexico Peanut Growers Association and the New Mexico Peanut Research Board. I was delighted when the President accepted my counsel. Wayne and Jimmie are to be commended for their service.

Coincidentally, March is also National Nutrition Month—a great time to recognize the nutritional value of peanuts. Peanuts contain mainly unsaturated fat and are low in saturated fat. They contain fiber and magnesium. Peanuts have more plant protein than any other nut. They are also rich in vitamin E, folate, potassium, zinc, phyosterols and antioxidants. Additionally, diets high in nut consumption have also been shown to have a beneficial effect on lowering cholesterol. With the embrace of low-carbohydrate dieting, peanuts are enjoying an amazing revival.

As my colleagues well know, I am very interested in preventive health care. I was pleased by a 2002 study conducted by researchers at the Harvard School of Public Health that concluded women who eat peanuts or peanut butter five times a week can reduce their risk of developing type 2 diabetes by almost 20 percent. Of course, peanuts alone are not a panacea for good health. Physical activity, losing weight and changing dietary habits are key to helping stay healthy.

Mr. Speaker, National Peanut Month provides us the opportunity to recognize the benefits of peanuts as well as the hard work of all the people in the peanut industry. I ask my colleagues to join with me in this celebration.

IN HONOR OF HARRISON POST 282 AMERICAN LEGION

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Harrison Post 282 American Legion on its 65th Anniversary. An anniversary celebration was held on Saturday, January 17, 2004, at Post 282 Headquarters, 8 Patterson Street, Harrison, New Jersey. The ceremony was presided over by Commander Edwin Marshman, Sr.

On September 16, 1919, the United States Congress chartered the American Legion. The purpose of the American Legion is to serve as a community organization sworn to uphold the Constitution of the United States of America, to foster and promote the ideals of patriotism, and to preserve the memories of wars and battles fought by our courageous men and women in uniform. The American Legion is vital to the preservation and celebration of American heritage. It understands the power and value of our history. Yesterday, these brave soldiers served in the Armed Services to preserve America; today, they serve in our communities to preserve our heritage.

Although the majority of the service provided by the American Legion is geared towards veterans' issues, its service does not stop there. The American Legion is heavily involved in children and youth and community service activities. Since its inception in 1919, the American Legion has been a supporter of the Boy Scouts of America. Today, the Legion is the chartering agency for more than 1,700 scouting units involving more then 64,000 youths.

Harrison Post 282 was formed in 1939 by a group of dedicated Harrison veterans who

wished to foster the goals of the American Legion in their community. Harrison Post 282 received its permanent charter from the American Legion in 1941. In its 65 years, Harrison Post 282 has continuously upheld the goals of the American Legion, helping countless veterans and serving as a pillar of the Harrison community in a variety of activities.

Today, I ask my colleagues to join me in celebrating the 65th Anniversary of the Harrison Post 282 American Legion and in honoring its outstanding commitment to veterans and their community.

PAYING TRIBUTE TO EAST HOLBROOK, ROCKY FORD, AND EMMANUEL MENNONITE CHURCHES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. McINNIS. Mr. Speaker, it is with great pride that I rise today to pay tribute to three Mennonite churches that have enriched the Southeastern Colorado community for 100 years. The East Holbrook, Rocky Ford, and Emmanuel Mennonite churches in Colorado have been instrumental in educating citizens about religion and providing healthcare to the Pueblo community. I would like to join my colleagues here today in recognizing these institutions tremendous service to their Colorado community.

In 1903, the Mennonites settled in East Holbrook and the Fairmount area in my state. Over the years, the group has established a school, a tuberculosis sanitarium, and a hospital. The Mennonites have been outstanding members of the community who have met the increasing needs of their community by adding a School of Nursing and a new congregation for Spanish-speaking residents in Cheraw and La Junta, Colorado.

Mr. Speaker, East Holbrook, Rocky Ford, and Emmanuel Mennonite churches are composed of dedicated individuals who use their resources to improve the lives of many Puebloans. The Mennonites have demonstrated a love for humanity that resonates with their compassionate and selfless service to their town. The Mennonite enthusiasm and commitment certainly deserve the recognition of this body of Congress.

UNITED STATES PATENT AND TRADEMARK FEE MODERNIZATION ACT OF 2003

SPEECH OF

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 2004

Mr. CONYERS. Mr. Chairman, the PTO is in the midst of a crisis. Funded by user fees instead of taxpayers, the PTO generates $1 billion in revenues each year. This success has been an Achilles' heel—the Administration treats the PTO as a cash cow and diverts hundreds of millions of dollars every year for other programs. This is making it difficult for the PTO to hire or even retain qualified examiners to review patent applications. Our technological advancement and our economy can only suffer if Congress sits idly by while this happens.

This bill remedies this by ensuring the PTO can spend all of the fees it collects. I believe ending fee diversion is one of the most important signals we can send to spur innovation and encourage new technologies and new drugs.

The bill also incorporates a proposal of mine and Representative KAPTUR'S to maintain a fee deduction for small businesses. Small businesses are important to this country's economy, and we should give them every incentive to innovate and seek protection for those innovations.

Having said that, I still have concerns about outsourcing. The bill would give the PTO the ability to hire private contractors to do patent searches. This is problematic for a variety of reasons. First, searching old patents and journals is one of the core functions of the PTO, giving that job to private companies would be like shutting down the FBI and having someone else conduct criminal investigations for the Justice Department. Second, no one questions the accuracy and integrity of the work of PTO employees, so the need for contractors is questionable. Also, there could be conflicts of interest if the employee of a contractor doing searches has his or her own patent applications pending.

While the bill will be improved to prevent outsourcing to foreign companies and to limit conflicts of interest, some of my concerns remain.

RECOGNIZING COLONEL H. WILLIAM CARD FOR HIS LEADERSHIP

HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. HINOJOSA. Mr. Speaker, I rise today to invite my colleagues to join the Harlingen Hispanic Chamber of Commerce in saluting the extraordinary life and service of Colonel William ''Bill'' Card. Colonel Card is a modern day ''Renaissance man''. He has been a citizen, soldier, educator, entrepreneur, community leader, and mayor, and is an example of what is best in America.

Bill Card was born into a military family where dedication to service and country were deeply ingrained. At the age of 17, he enlisted in the U.S. Marine Corps and was sworn in by his father, Brigadier General Horace W. Card. While still in college, he was called to duty aboard the USS *Pennsylvania* berthed at Pearl Harbor, Hawaii. It was on Sunday, December 7, 1941 that Bill was first tested in battle as he manned the guns to defend his ship against enemy aircraft. In 1942, Bill was commissioned as a second lieutenant and by 1944 was a captain and took part in the campaign of Saipan Island.

After the war, Bill continued to serve in the Marines as an artillery instructor. When the Korean War broke out, Captain Card took part in the landing at Inchon and the liberation of Seoul. By 1954, Bill was a Lieutenant Colonel and served as Battalion Commander, Training and Test Regiment at Quantico, Virginia. In 1962, he was deployed to Cuba during the missile crisis and was subsequently promoted to full colonel.

In 1968, Colonel Card came to Harlingen, Texas as director of Development of the Marine Military Academy. As an instructor, he was always willing to share his knowledge and the values of integrity, honor, courage, dedication and perseverance with the young cadets. Upon his retirement from the Marine Corps, he began a new career as a businessman and community leader in Harlingen.

Bill Card jumped right in to community affairs. He served as the Mayor of Harlingen from 1987 to 1998. He has served as the President of the Rio Grande Valley Chamber of Commerce, the Harlingen Rotary Club, the United Fund, and the Lower Rio Grande Valley Development Council. He has been an officer in numerous organizations including the Easter Seal Chapter of Cameron County, the American Heart Association, the Lower Rio Grande Valley YWCA, the Muscular Dystrophy Association, the Marine Military Academy and the Harlingen Community Care Emergency Foundation. He currently serves on the Rio Grande Valley Health Services District Board, a new entity seeking to resolve the border region's indigent health care crisis. This list goes on and on.

He has deservedly received numerous awards including Citizen of the Year of the Rio Grande Council of the Boy Scouts, the 1973 ''Boss of the Year'' by the National Secretaries Association and the 1980 ''Banker of the Year'' for Small Business Administration Region VI. He even received the ''Road Hand Award'' from the Texas Department of Transportation for proving his ability and stamina in toiling long, strenuous hours for Texas roads. He has also never forgotten his first love, the Marines, and spearheaded the capital campaign that raised $14 million for new barracks, classrooms, student services and athletic facilities for the Marine Military Academy.

Bill Card never does anything half-heartedly. The discipline and focus he learned in the Marines has been carried with him in civilian life. The people of Harlingen and the Rio Grande Valley are deeply indebted to him for his commitment to improving life for every resident. As a result of his leadership, Harlingen completed a new air terminal at Valley International Airport. The city has a new public library, a new public museum and an expanded municipal auditorium. His vision of thinking of the Rio Grande Valley as one economic entity has brought economic growth and increased cooperation to the whole region.

Despite accomplishing enough for two lifetimes, Bill and his wife Garrison have found the time to raise four beautiful children and are the proud grandparents of six grandchildren. I am very proud to call him my friend. I urge my colleagues to join me in commending Colonel Card and expressing our gratitude for his distinguished service to South Texas and to this great Nation.

D.C. CIRCUIT COURT RULING CONCERNING TELECOMMUNICATIONS REGULATIONS

HON. DEVIN NUNES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. NUNES. Mr. Speaker, two days ago the D.C. Circuit Court ordered the Federal Communications Commission (FCC) to design new

unbundling and wholesale rules within 60 days. According to the Court, ''This deadline is appropriate in light of the commission's failure, after eight years, to develop lawful unbundling rules, and its apparent unwillingness to adhere to prior judicial rulings.'' Given the situation and the impact that it has on my rural district and consumers across the country, I fully support this decision.

The time has come for the FCC to stop playing games and adopt a set of rules that adheres to the guidelines set forth by the 1996 Telecommumcations Act. I support free market principles and feel as though Congress painted a clear pro-competition, pro-growth picture for the FCC. I also echo the sentiments of many other members of the House who feel that it is time to put some legitimacy and continuity in telecommunications regulations.

For the sake of growth, development, and the rule of free market principles in the telecommunications industry, I would like to see each and every member of the House support this ruling.

IN HONOR OF MR. AND MRS. RICHARD A. RUTKOWSKI

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Richard A. Rutkowski and Regina J. Rutkowski for their years of service and dedication to their community. Mr. and Mrs. Rutkowski were honored by the Richard A. Rutkowski Association at the 25th Anniversary Gala Dinner-Dance on Saturday, January 17, 2004, at the Hi-Hat Caterers in Bayonne, New Jersey.

Richard A. Rutkowski is former mayor and two-term council member-at-large for the City of Bayonne. In 1992 and 1993, Mr. Rutkowski was elected by fellow mayors to the 25 member executive board of the New Jersey State League of Municipalities. Mr. Rutkowski is currently a director of the Bayonne Chapter of the National Conference for Community and Justice, an active member of the American Polish Veterans, Assumption Catholic War Veterans Post no. 1612, and Bayonne Elks Lodge #434.

Mr. Rutkowski has served on a number of boards of directors for committees, civic, religious, professional and ethnic organizations He is a former member of the Parish Council and school board member at Our Lady of Mount Carmel, where he served as the chairman of the Parish Centennial Committee. Mr. Rutkowski has also served as assistant cubmaster of Pack 19.

For all his remarkable accomplishments, dedication to his community, and leadership, Mr. Rutkowski has received numerous awards, including the YMCA Award, Citizen of the Year Award from the Bayonne Kiwanis Club in 1990, and National Conference for Community and Justice Humanitarian Award in 2001.

Born and raised in Bayonne, Mr. Rutkowski attended Saint Peter's Prep and received his bachelor's degree from Saint Peter's College. Mr. Rutkowski received a master's degree from Stevens Institute of Technology.

Regina J. Rutkowski was born in Poland, and is a survivor of the Nazi occupation. After years of suffering, her family relocated to England and then to the United States. Mrs. Rutkowski attended New Jersey City University where she graduated Summa Cum Laude, and received her bachelor's degree in History.

Mrs. Rutkowski has been involved in a variety of charitable, social and civic organizations in which she has held several positions, such as Bayonne's marshall of the Pulaski Day Parade in 1997, trustee of the Bayonne Historical Society, and honorary chair on the 25th Anniversary of the Pro Arte League of the Kosciuszko Foundation.

Mrs. Rutkowski is an active member in numerous organizations, including the Bayonne Pulaski Memorial Committee, Polish-American Heritage Committee of Bayonne, Polish-American Citizens Club, and Royal Arcanum.

Mrs. Rutkowski is a member of the Our Lady of Mount Carmel Church, where she serves on the Parish Council. She is an usherette and former member of the parish's Centennial Committee. She currently serves as treasurer of the Mount Carmel Guild.

Mr. and Mrs. Richard A. Rutkowski are the proud parents of three sons, Richard Jr., Stephen, and Robert, and grandparents of three wonderful children, Stephen, Alexa and Robert.

Today, I ask my colleagues to join me in honoring Richard A. Rutkowski and Regina J. Rutkowski for their outstanding leadership, tireless work and service in the community, and commitment to their fellow man.

WE THE PEOPLE ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. PAUL. Mr. Speaker, I rise to introduce the We the People Act. The We the People Act forbids federal courts, including the Supreme Court, from adjudicating cases concerning state laws and policies relating to religious liberties or ''privacy,'' including cases involving sexual practices, sexual orientation or reproduction. The We the People Act also protects the traditional definition of marriage from judicial activism by ensuring the Supreme Court cannot abuse the equal protection clause to redefine marriage. In order to hold federal judges accountable for abusing their powers, the act also provides that a judge who violates the act's limitations on judicial power shall either be impeached by Congress or removed by the president, according to rules established by the Congress.

The United States Constitution gives Congress the authority to establish and limit the jurisdiction of the lower federal courts and limit the jurisdiction of the Supreme Court. The Founders intended Congress to use this authority to correct abuses of power by the federal judiciary.

Some may claim that an activist judiciary that strikes down state laws at will expands individual liberty. Proponents of this claim overlook the fact that the best guarantor of true liberty is decentralized political institutions, while the greatest threat to liberty is concentrated power. This is why the Constitution carefully limits the power of the federal government over the states.

In recent years, we have seen numerous abuses of power by federal courts. Federal judges regularly strike down state and local laws on subjects such as religious liberty, sexual orientation, family relations, education, and abortion. This government by federal judiciary causes a virtual nullification of the Tenth Amendment's limitations on federal power. Furthermore, when federal judges impose their preferred policies on state and local governments, instead of respecting the policies adopted by those elected by, and thus accountable to, the people, republican government is threatened. Article IV, section 4 of the United States Constitution guarantees each state a republican form of government. Thus, Congress must act when the executive or judicial branch threatens the republican governments of the individual states. Therefore, Congress has a responsibility to stop federal judges from running roughshod over state and local laws. The Founders would certainly have supported congressional action to reign in federal judges who tell citizens where they can and can't place manger scenes at Christmas.

Mr. Speaker, even some supporters of liberalized abortion laws have admitted that the Supreme Court's Roe v. Wade decision, which overturned the abortion laws of all fifty states, is flawed. The Supreme Court's Establishment Clause jurisdiction has also drawn criticism from across the political spectrum. Perhaps more importantly, attempts to resolve, by judicial fiat, important issues like abortion and the expression of religious belief in the public square increase social strife and conflict. The only way to resolve controversial social issues like abortion and school prayer is to restore respect for the right of state and local governments to adopt policies that reflect the beliefs of the citizens of those jurisdictions. I would remind my colleagues and the federal judiciary that, under our Constitutional system, there is no reason why the people of New York and the people of Texas should have the same policies regarding issues such as marriage and school prayer.

Unless Congress acts, a state's authority to define and regulate marriage may be the next victim of activist judges. After all, such a decision would simply take the Supreme Court's decision in the Lawrence case, which overturned all state sodomy laws, to its logical conclusion. Congress must launch a preemptive strike against any further federal usurpation of the states' authority to regulate marriage by removing issues concerning the definition of marriage from the jurisdiction of federal courts.

Although marriage is licensed and otherwise regulated by the states, government did not create the institution of marriage. Government regulation of marriage is based on state recognition of the practices and customs formulated by private individuals interacting in civil institutions, such as churches and synagogues. Having federal officials, whether judges, bureaucrats, or congressmen, impose a new definition of marriage on the people is an act of social engineering profoundly hostile to liberty.

It is long past time that Congress exercises its authority to protect the republican government of the states from out-of-control federal judges. Therefore, I urge my colleagues to cosponsor the We the People Act.

IN RECOGNITION OF A.E. ''BEAN'' BACKUS

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. SHAW. Mr. Speaker, today, I rise to recognize one of America's greatest artists, A.E. (Bean) Backus, who I'm proud to say was a native and lifelong South Floridian. On canvas, he captured the very essence of our State's natural beauty.

I count myself among Bean Backus' admirers for portraying Florida as it was and as it should be.

From his earliest days on the Indian River, when he was given a set of watercolors at the age of eight to a lifetime body of work of over 6,000 paintings, Bean has left his indelible mark on all who have followed in the Backus style.

His works are collected and exhibited in Florida and around the world, each telling a story of South Florida's unique natural heritage. Most of it has disappeared from daily public view, left only to preserves and weekend nature trips, but through Bean it is kept alive in the homes of those fortunate to own a Backus or visit one in a museum.

If you squint your eyes and use your imagination, you can see Florida the way Bean Backus saw it. Today, the land where shopping centers and housing developments stand surrounded by traffic was once a place where roseate spoonbills fed and the only sound was the rustling of the Everglades' grasses. Wetlands have become parking lots, and marshes became mansions along our once pristine waterways. Thanks to Bean's visual legacy, their memory is kept intact for our children, grandchildren and great grandchildren.

Recognized as the ''Dean of Florida Landscape Painting'', he is the standard to which other Florida landscape artists aspire. His subtle mastery of light and color are copied by many but equaled by none. His Fort Pierce studio was always alive and open, with 50 students, children's art classes, the curious, those who just wanted to debate the news of the day or perhaps wanted to pick up a brush and try painting.

Bean Backus is the inspiration behind the much acclaimed African-American artists known as The Highwaymen, and counted them among his friends. His compatriot, the legendary author Marjorie Stoneman Douglas, was also a close friend. Though a frequent dining companion of Ian Fleming of James Bond fame, he was most comfortable sharing a sunrise breakfast with the fishermen, workers and tall tale tellers in his hometown.

Today, we can best appreciate Bean Backus at the gallery named in his honor in Fort Pierce that receives tens of thousands of visitors each year. It boasts the largest permanent collection of Backus paintings and annually each spring showcases a large selection of additional Backus paintings from private collections. According to Bean's wishes, admittance has remained free and is supported solely by private donations.

Mr. Speaker, occasionally when the light is right, in the early hours you can almost see Bean at his easel near a window in the gallery recreating the best of Florida for the world to enjoy. Thank you Bean Backus for keeping alive the real Florida, forever.

HONORING THE MEN AND WOMEN OF THE DRUG ENFORCEMENT ADMINISTRATION ON ITS 30TH ANNIVERSARY

SPEECH OF

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 2004

Mr. REYES. Mr. Speaker, I rise today in support of this resolution honoring the men and women of the Drug Enforcement Administration (DEA) on its 30th Anniversary. The DEA has played a vital role in the battle against the drug epidemic in our country.

Before being elected to Congress, I was a federal law enforcement officer in the Immigration and Naturalization Service (INS) for 26½ years. Twelve of those years were spent as El Paso Sector Chief of the United States Border Patrol. One of the most important and most dangerous missions I had in the Border Patrol was the interdiction of illegal narcotics. I had the opportunity to work closely with the DEA in that mission, and can personally attest to the hard work, dedication and professionalism of DEA personnel.

Mr. Speaker, I have the pleasure to represent the city of El Paso, Texas, a border town in the western-most tip of Texas. This area plays a critical role in our country's war on drugs. Last April my colleague Mr. SOUDER of Indiana, who is the sponsor of the resolution before us today, held a field hearing in my district to highlight the impact of drug trade in our area. Mr. Sandy Gonzalez, DEA Special Agent in Charge in El Paso, was a witness at this hearing.

As one might imagine, DEA has a significant presence in my district. The DEA-led El Paso Intelligence Center, or EPIC, was established by the Department of Justice in 1974 as an intelligence service center to be staffed by representatives of the Immigration and Naturalization Service (INS), U.S. Customs Service and DEA. Initially, EPIC focused on the U.S.-Mexico border and its primary interest was drug movement and immigration violations. Today, EPIC has the same mission, but has broadened its scope to include all of the United States and the entire Western Hemisphere.

Mr. Speaker, I can personally attest to the value of the DEA in El Paso. I urge every Member of this House to join me in congratulating the DEA for 30 years of service in our country.

PAYING TRIBUTE TO PETE AND POLLY CONLON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MCINNIS. Mr. Speaker, it is with great pride that I rise today to pay tribute to two people responsible for continuing a great tradition of entertainment in Beulah, Colorado. Pete and Polly Conlon's Flag Mountain Grill is a family-oriented attraction center that has been a source of entertainment for the citizens of Colorado for over a century. The Flag Mountain Grill is an incredible asset to the city because it engages the community members in such a dynamic way, and I would like to join my colleagues here today in recognizing the Conlon's tremendous service to the Beulah community.

Pete and Polly Conlon are the owners of the Flag Mountain Grill, formerly known as Gayway Park. Currently, the Flag Mountain Grill serves as a restaurant but it began as a small boating pond that was carved out of a mountain valley. Over time, it expanded to include numerous baseball fields, the valley rodeo, and many other community events. During its heyday in the 1950's, Gayway Park was the weekend destination for the Pueblo community as a vibrant music and dance hall.

Mr. Speaker, the Flag Mountain Grill continues a long tradition, dedicated in bringing the people of Colorado together. Pete and Polly Conlon have enjoyed taking on the task of running this landmark institution in Beulah, and their enthusiasm and commitment certainly deserve the recognition of this body of Congress.

PERSONAL EXPLANATION

HON. ROBERT MENENDEZ

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MENENDEZ. Mr. Speaker, I regret that an International Relations Committee hearing on Haiti yesterday caused me to miss Rollcall vote 38, on final passage of H.R. 1561, the United States Patent and Trademark Fee Modernization Act. Had I been present, I would have voted ''yea'' on Rollcall vote 38.

RECOGNITION OF COLORADO NONPROFIT WEEK

HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Ms. DEGETTE. Mr. Speaker, I rise to commemorate Colorado Nonprofit Week, an annual event organized by the Colorado Association of Nonprofit Organizations (CANPO) and volunteer committees around the state. The purpose is to recognize and celebrate the vital impact Colorado's nonprofits have on our economy and quality of life.

In Colorado, there are over 16,000 nonprofits and nationwide there are over 850,000 charitable nonprofits. One-third of charitable nonprofits work in the area of human services, helping to meet the needs of all of our citizens through food banks, job counseling, shelters, domestic violence just to mention a few essential areas.

The other two-thirds of the nonprofit sector serve an even broader constituency—all of those who attend cultural performances, view exhibitions, visit galleries, take their children to museums, provide educational programming, work with animals and protect the environment, and many other vital, day-today parts of our lives.

The Colorado Association of Nonprofit Organizations has worked hard to make Colorado Nonprofit Week a success. Their goals have been to increase the visibility of nonprofits and

their important contributions throughout the state; to strengthen relationships between nonprofit leaders and public officials; and to encourage individual nonprofit leaders to see themselves as part of the greater nonprofit sector.

In 2001 (the last year data was analyzed) nonprofit expenditures totaled more than $9 billion in Colorado for the 5,400 largest nonprofits and $822 billion in the United States for the nearly 267,000 largest nonprofits.

The Colorado Association of Nonprofit Organizations represents organizations across the state that provide hope for thousands of Coloradoans. They educate youth, help the disabled, protect children, provide needed services to adults and promote culture and the arts. From bettering the lives of individuals to improving the overall economy of our entire state, there is almost no aspect of society that nonprofits do not touch. One thing is for sure; our state would not be the incredible place it is today if these crucial organizations did not exist.

Mr. Speaker, nonprofits in Colorado and across the country are an essential piece of the fabric of this country. I am pleased and proud to have this opportunity to salute them today.

EXTENSION OF NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

SPEECH OF

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 2004

Mr. SOUDER. Mr. Speaker, I come before you in opposition to the extension of the 9/11 Commission. From the outset, I've been opposed to the creation of this blue ribbon panel. A year and a half ago I voted against the Roemer Amendment which created this panel because I felt the panels work would be duplicative to an already established blue ribbon panel, the Select Committee on Intelligence.

Aside from its duplicative nature I was also concerned over the political intent behind the creation of the blue ribbon commission. I feel that if the panel generates any type of report that focuses on the Bush Administration ignoring key pieces of intelligence it can only be construed as being political. Given the fact that there were tens of thousands of intelligence memos regarding terrorist threats, if this panel criticizes a particular Administration for failing to react to one briefing memo then their report can only be seen as seen as politically driven.

The panel's recent request for an extension to its pre-established May 27th deadline only reinforces my pre-held belief that the panel is going to be used as a political vehicle and not serve its original intent which was to provide recommendations for guarding against future attacks. In my opinion, the panel should have either produced a report within the original time constraints or extend the deadline till after the November elections so that the findings don't get bogged down in election year politics.

The way in which the House passed the extension yesterday on voice vote with no advance notice is also troubling to me. Had the House conducted a recorded vote on the extension, I would have voted ''no.''

PERSONAL EXPLANATION

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. OSE. Mr. Speaker, on Tuesday, March 2, 2004, I missed rollcall votes 32, 33. Had I been here, I would have voted ''aye'' on rollcall 32; and ''aye'' on rollcall 33. I request that my comments be placed in the CONGRESSIONAL RECORD at the appropriate section.

TRIBUTE TO KURT DOUGLAS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MCINNIS. Mr. Speaker, it is with great pride that I rise today to pay tribute to a talented and dedicated athletics coach from Rangely, Colorado who is retiring after many years of service. Kurt Douglas uses his creative guidance to inspire people to achieve their best and make the most of their talents and abilities. His enthusiasm spirals through the community as he passes his love for sports on to his student-athletes. I would like to join my colleagues here today in recognizing Kurt's tremendous service to the Rangely community.

Kurt Douglas has been coaching for over twenty-seven years. He started his coaching career in Crowley County in 1975, where he served as an assistant baseball coach for six years and assisted with the boy's basketball team for two more years before becoming head coach. After Crowley County, Kurt went on to coach at Rocky Ford, working with the Meloneer's baseball team for 13 seasons, which included two trips to the state finals. He also coached the girl's basketball program and assisted the football team for a combined 12 years.

Kurt has led three basketball teams to the state tournament and participated in four all-state games, two in basketball and two in baseball. His favorite aspect of coaching has been the opportunity to guide his three daughters through their own basketball careers. In the midst of all this, Kurt has found the time to work as a full time teacher, while serving as the activities director for the high school.

Mr. Speaker, Kurt Douglas is a truly dedicated individual who uses his talents to enrich the lives of the students in his Rangely community. Kurt has demonstrated a love for sports that resonates in his compassionate and selfless service to many athletic programs and the student-athletes who participate. He has given up countless hours of his free time in order to give kids a chance to pursue their dreams, and I commend him for his service to our youth. Thanks for all your hard work Kurt, and I wish you the best of luck in all your future endeavors.

COMMEMORATION OF THE 5TH ANNIVERSARY OF THE AMERICAN LEGACY FOUNDATION

HON. TODD RUSSELL PLATTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. PLATTS. Mr. Speaker, I rise today to recognize and congratulate an organization that has dedicated its efforts to the education and prevention of tobacco use among our Nation's young people. Founded on March 4, 1999, as a result of the historic Tobacco Master Settlement Agreement (MSA), the American Legacy Foundation celebrates its 5th anniversary this week.

Over the past 5 years, the American Legacy Foundation has made great strides in improving health for all Americans by creating an environment which allows young people to reject tobacco products and assists others to quit.

The American Legacy Council is best known for their award-winning truth youth counter market campaign. Truth advertisements provide a blunt and frank approach to the negatives of smoking and tobacco usage. These advertisements are credited as one of the reasons for the recent declines in youth tobacco usage. Additionally, the foundation's programs extend well beyond targeting youth. Through their cessation programs, the Circle of Friends creates circles of support around women who wish to quit, the Great Start Program helps to provide counseling for pregnant women regarding the risks of tobacco usage during pregnancy, and the Priority Populations Program focuses on those groups disproportionately harmed by tobacco use.

In addition to celebrating the American Legacy's Foundation wonderful achievements, I wish to take this opportunity to share with my colleagues the very real threat to the financial existence of programs such as truth, and the existence of the Foundation itself. This year the American Legacy Foundation has received its last payment from the MSA. Because of the dramatic reduction in resources, all of the successes that the Foundation has achieved are in jeopardy. Already, the Foundation is cutting programs. It is imperative that members of Congress join together to not only congratulate the American Legacy Foundation on their great success over the past 5 years, but also join together to ensure that the American Legacy Foundation will be able to continue on their path for years to come.

TRIBUTE TO JEANNE YOSHIDA HONDA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Ms. ESHOO. Mr. Speaker, I rise today to place into our Nation's RECORD the tribute which was given by Art Honda at the memorial service for his sister-in-law, Jeanne Yoshida Honda, beloved wife of Congressman MIKE HONDA, on February 21, 2004.

''Jeanne would really be blown away with all of you being here (especially in this weather). She would also be a little embarrassed but pleased all the same. Thank you for being

here to share this time with MIKE and the family.

I have strict instructions from MIKE to keep this brief since he wants to reserve as much time as possible in order to share a moment or two with each of you personally. That might be difficult, but MIKE always thinks big.

In remembering Jeanne I'm sure my thoughts will mirror many of yours since Jeanne was pretty much the same person no matter who she was with. She was comfortable in her own skin, so to speak, and never tried to be anyone but herself . . . and although MIKE casts a big shadow, both literally and figuratively, Jeanne was never overshadowed. She had her own life plan, developed her own career and went about it in her own unassuming but resolute manner.

I remember Jeanne as one of those rare individuals who knew early on what she wanted in life and set about achieving them in her own quiet and measured way . . . I think that all she really wanted was to marry MIKE, teach little kids and have a comfortable home where she could raise a family. She achieved all that, and I don't think she ever needed nor wanted anything more.

I first got to know Jeanne when she began dating MIKE over 40 years ago. We were all young then if that could be imagined. She was a 19-year-old freshman at SJS majoring in teaching.

She adored MIKE. As a brother, I couldn't see it, but, eventually, even I had to admit that Jeanne was a good judge of character. They were well suited to each other. They had a loving and playful relationship, they filled each other's voids, and their separate strengths—she being introverted, disciplined and structured and MIKE being extroverted, spontaneous and hardly a slave to the clock—rather than being incompatible, they dovetailed perfectly and like fine joinery their union was strong and enduring.

Now I have to say here that I'm younger than MIKE—I try to point this out every chance I get—being the more youthful is one of the few things I have over him. He's got me in most every other area—especially in that full head of hair. Anyway, I got married first—I don't know if that had anything to do with it, but one evening shortly after I got married, Jeanne visited Yoshiko and me at our little duplex apartment, and being MIKE's brother, she wondered if I had any insights into his intentions as far as their future was concerned. Well, hoping to reassure her but not wanting to commit MIKE to anything that he wasn't ready for, I told Jeanne that when MIKE was ready to settle down, it wouldn't be with anyone but her. I told her that I thought it might be soon. She seemed OK with this, but a couple of months later there goes MIKE, along with my credibility, joining the Peace Corps, and off to the jungles of El Salvador he went for the next 2 years.

So things didn't always come easy for Jeanne, but resolute as always, she simply turned her full attention to her studies, finished school and got a job teaching kindergarten in the little town of Agnew and waited for MIKE to come home. Two years passed and MIKE, or someone that looked vaguely like MIKE, finally came home—all 130 pounds of him—imagine a dark-skinned pumpkin-on-a-stick and you'll get the picture. He also morphed into an Asian Desi Arnaz speaking fluent Spanish and singing Latin love songs to his fiancee. But of course to Jeanne he was the same MIKE and they married that following June of 1967; and with her home cooking and TLC, Jeanne got MIKE back up to his fighting weight and then some. I think, though, that she deferred to MIKE when it came to making the menudo. I'll let MIKE tell you about their belated honeymoon when he took Jeanne to visit El Salvador, deep in the heart of Central America—by the way, they didn't fly . . . they drove round-trip . . . in his Volkswagen beetle. Talk about a tough lady.

So just a month shy of turning 25, Jeanne had her man and she had her career. In a few short years she and MIKE moved into their first and only home where she raised two kids and a German shepherd named Orejas. Jeanne was a full-time Mom by then and under her ever present guidance, Mark and Michelle grew into adulthood, graduated from college, married and embarked on successful careers of their own—and to Jeanne's delight—one grandchild on its the way. Once the heavy-lifting part of motherhood was completed, Jeanne returned to her other kids, this time at Baldwin School in the Oakgrove School District. I think she achingly missed her school kids as well as her colleagues this past year—the obvious became clear to me that school was a very big part of Jeanne's life.

Just a brief mention about Jeanne's values . . . Anyone who knows her would agree that she had solid June Cleaver values and a kind of childlike innocence, but she also possessed common sense wisdom and carried a kind of moral authority about her that was both subtle and understated—and not at all preachy or controlling. It was evident in her conduct and sometimes, as I've experienced on occasion, in just a look or a well-timed comment or two.

I think MIKE would be the first to agree that he owes much of his success to Jeanne. The constancy and stability she provided helped him stay the course in a hectic public life that often overlapped into their private lives, something that Jeanne had long ago adapted to and accommodated with grace. But the title of Honorable didn't exist at home. Over the years, Jeanne kept MIKE grounded in her gently assertive way. Her moral compass always pointed north and whenever MIKE needed to check his bearings he never needed to look any further than his partner. Jeanne will always remain in his thoughts—one could be certain of that.

Although Jeanne was very much a part of our family for all these years, she never stopped being a Yoshida. She continued to be a source of strength and a source of support to her mother, Rose Yoshida, who had been so extremely proud of her eldest and only daughter . . . and she never stopped being a big sister to her brothers, Stanley and Dick, whom she remained devoted to.

Brother Dick and daughter Michelle were Jeanne's primary care givers over this past year—joined of course by MIKE, who rushed home when she took a turn for the worse, and son Mark and his bride Mekar who both made repeated trips from LA, and not least of all Jeanne's son-in-law, Travis Phillips, who shuttled back and forth from Seattle.

In the end Jeanne was surrounded by her family and by an abiding love that had its genesis in that 19 year-old freshman who began dating MIKE over 42 years ago. In a very real sense Jeanne's life had come full circle. She wanted to go on of course and she fought the good fight, devoid of self-pity and with extraordinary courage and a stubborn optimism. But Jeanne prevailed long before the events of the past year, because she had attained the only things that were important to her. Those life accomplishments, and the values that she instilled, will live on.

You did good, Jeanne. I know I speak for everyone here, family and friends, when I say thank you, Jeanne. Thank you for being part of our lives. We're all the better for it.''

Mr. Speaker, I ask my colleagues to join me in honoring the extraordinary life of Jeanne Yoshida Honda and in extending our deepest sympathies to her beloved husband, our colleague, Congressman MIKE HONDA, their children and their entire family.

TRIBUTE TO THE AMERICAN LEGACY FOUNDATION

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MEEHAN. Mr. Speaker, I rise today to pay tribute to the American Legacy Foundation as they celebrate their 5th Anniversary. Founded on March 4, 1999 as a result of the historic Master Settlement Agreement between the attorneys general of 40 states and the tobacco industry, the foundation is committed to building a world where young people reject tobacco and anyone can quit.

Thanks to the American Legacy Foundation and other life-saving organizations that work every day to prevent our young people from starting to smoke and help those already addicted to successfully quit, youth smoking prevalence in the U.S. has hit its lowest level in nearly three decades.

The American Legacy Foundation is best known for its award winning truth® youth counter marketing campaign. With its blunt messaging and frank approach, truth® has been cited as one of the reasons behind sharp declines in youth tobacco use. The foundation's programs also extend beyond youth. Circle of Friends creates circles of support around women who want to quit; Great Start helps provide information and counseling to pregnant women about the risks of tobacco use during pregnancy and the earliest days of a baby's life; and the foundation's Priority Populations Program focuses on minorities and other groups that are disproportionately harmed by tobacco use.

I urge my colleagues to join me today in celebrating five years of accomplishment by the American Legacy Foundation and hope that you will work with me to ensure that organizations like the Legacy Foundation are able to continue their critical work to protect our nation from tobacco's deadly toll.

TRIBUTE TO GLORIA AND BAUDELIO FLORES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MCINNIS. Mr. Speaker, it is a great pleasure to rise and pay tribute to Baudelio

and Gloria Flores, who for over fifty years have provided a valued service to their Salt Creek, Colorado, community. The Flores are the proud owners of Flores Grocery and Gift Shop, a business they started in the late 1950's that is well known for providing authentic Mexican products in their region.

The Flores invested their entire life savings to start their Mexican-style grocery, with the hope that the profits from the business would one day send their four sons to college. Due to their hard work, the store has grown into a thriving business and is considered a staple of the local business community. Today, people drive from all over the region to purchase authentic Mexican products and sample Gloria's delicious baked goods.

Mr. Speaker, Gloria and Baudelio Flores are two wonderful people living the American Dream. Through their business acumen, hard work, and dedication to excellence, all four of the Flores children were provided the opportunity to graduate from college and today enjoy successful careers. I would like to take this opportunity to thank Gloria and Baudelio for their service to their community and congratulate them on remaining dedicated to achieving their goals and dreams. Their efforts have enriched the lives of their children and the Salt Creek community.

CONTRIBUTIONS OF THE CIVIL AIR PATROL

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. SMITH of Michigan. Mr. Speaker, I rise to express my support and appreciation for the Civil Air Patrol. In December 1, 1941, just before the attack on Pearl Harbor, in the great tradition of American volunteering and patriotism, civilian aviators and watchers organized the Civil Air Patrol to help protect our borders. During World War II, they attacked 57 submarines and sunk 2 in addition to diligent reporting of suspicious sightings. In recognition of their contribution to the war effort, President Roosevelt declared the Civil Air Patrol an auxiliary of the Air Force.

The Civil Air Patrol represents what is great about America. Volunteers come together to assist each other in defending our homeland. The government did not direct them, but they cooperated with the government to help all Americans.

The Civil Air Patrol has three missions. It assists with Emergency Response throughout the country. The Michigan Wing flew more mission hours than any other Great Lakes wing. Second, it works with students to teach aerospace science and aviation. The Michigan Wing was given an award by the National Civil Air Patrol headquarters for the best aerospace education program in the Great Lakes.

And third, it trains Cadets. Today, I met with Lt. Col. Tim Neill and three Michigan Cadets, Cadet Lt. Sean Croff, Cadet 2nd Lt. Holly Growe, and Cadet Captain Teresa Olson, who impressed me with their intelligence and dedication. Like many young people they have a desire to serve their country and understand how they can contribute to our country and to our armed services. And they are learning about aerospace science and aviation. Additionally, learning discipline and hands on technical experience is excellent.

I applaud these young men and women, and I understand their contributions. When I was in graduate school in Delaware, I was the squadron Commander in the Civil Air Patrol. As one of the pilots, I flew search and rescue missions and understand the real contribution that Civil Air Patrol makes to our ''Homeland Security''.

Mr. Speaker, we all thank the leaders and students that give their time for the Civil Air Patrol. They represent the best traditions of America.

NATIONAL PEACE CORPS WEEK

HON. MARK STEVEN KIRK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. KIRK. Mr. Speaker, I would like to recognize National Peace Corps Week which is being celebrated March 1–7 around the country. National Peace Corps Week recognizes the important role the Peace Corps has played over the last 43 years and reaffirms our country's commitment to the mission of the Peace Corps, as vital today as it was over 40 years ago.

The first Peace Corps volunteers were sent to Ghana in 1961. Since then, over 170,000 Peace Corps Volunteers have served in 137 countries to promote the Peace Corps' mission of world peace and friendship.

Last year, the number of individuals applying to serve in the Peace Corps rose by 10 percent. These Americans are eager to serve their nation by acting as teachers, business advisors, information technology consultants, and youth and agriculture workers. These Volunteers transfer life-changing knowledge and skills that are valued by the people of other nations.

Currently, more than 7,500 Volunteers are serving in 71 countries around the world—this is the highest number of Volunteers in the field in 28 years. Today's Peace Corps is more vital than ever, stepping into new countries like East Timor, working in emerging and essential areas and committing more than 1,000 new Volunteers as a part of President Bush's HIV/AIDS Act of 2003. Peace Corps Volunteers continue to help countless individuals who want to build a better life for themselves, their children, and their communities.

National Peace Corps Week recognizes all Peace Corps Volunteers, past and present. I would specifically like to recognize the forty volunteers from my congressional district who are currently serving around the globe. These people and all Peace Corps Volunteers have my gratitude for committing two years of their life to their country and to the spread of democracy through the goals of the Peace Corps.

FREEDOM IN HONG KONG

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. COX. Mr. Speaker, the House Policy Committee met today with a distinguished delegation of Hong Kong legislators and advocates of democracy. I would like to briefly report on this meeting.

Last year, the Policy Committee met twice with representatives from Hong Kong:

First, on January 28, 2003, we met with Hong Kong representatives, including journalists, who briefed us on the PRC's efforts to restrict media and intellectual freedoms. Second, on June 5, 2003, we met with a delegation of legislators and human rights advocates. Today's was our third meeting on Hong Kong in the 108th Congress.

The Policy Committee has held approximately 30 meetings in the 108th Congress. The policy-setting organization for the House Majority has devoted fully 10 percent of our meeting time to the cause of freedom for seven million people on the other side of the earth for several reasons:

First, we are the policy-setting organization for the Republican majority. Our party was founded 150 years ago—more accurately, 149 years, 11 months, and two weeks ago—on the simple idea of individual freedom. Republican presidents helped secure freedom for millions of Americans in the Civil War and for millions more around the world in the Cold War. Today, President Bush has naturally made freedom around the world the primary means of securing victory in the war on terrorism. The basis of our party is freedom, and Hong Kong, today, is on freedom's frontier.

Second, the seven million people of Hong Kong represent the best hope for more than a billion others in Asia. It is vitally important to the world that China becomes more like Hong Kong, and not the other way around. Accomplishing that goal would be in the interests of the people of Hong Kong and all of China, and it would be in the interests of the United States and the rest of the world, as a free, democratic, and prosperous China would be a more stable and friendly neighbor and member of the international community.

One month after our previous meeting, the Hong Kong legislature was scheduled to vote on a PRC-backed law to severely limit free speech and civil liberties in Hong Kong, in the name of punishing ''subversion.'' We and the House International Relations Committee proposed, and the House approved, a resolution in support of freedom in Hong Kong, and against the proposed anti-subversion law. Unprecedented demonstrations by over one-half million people in Hong Kong followed a few days later. The PRC withdrew the so-called anti-subversion legislation it was backing.

While the withdrawal of the so-called anti-subversion bill was good news, the more recent PRC freeze on the consultative process to provide for the popular election of Hong Kong's chief executive in 2007, and of its legislature in 2008, is of grave concern. It is vital to commence this process immediately. China will host the Olympics in 2008. Will the world discover that China has broken its promise? Only if the free world holds China to its commitment, and elections are held in 2007 and 2008, will this global shame be avoided.

Likewise, all the people of Hong Kong—including those who speak out for democracy—must be allowed the freedom to return to travel within China. The refusal of Beijing to grant permission for Chinese patriots in Hong Kong, including many who were born on the mainland, to travel to Beijing is an affront to freedom and to the Olympic spirit.

Mr. Speaker, much work remains to be done for freedom and democracy in Hong Kong and in China. The United States Congress must continue this work.

TRIBUTE TO BOB DIEDRICH

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MCINNIS. Mr. Speaker, I stand before you today to pay recognition to a man of my district that has diligently served his community for years. The city of Cortez has honored Mr. Bob Diedrich by selecting him as the 2003 Citizen of the Year. I am honored to rise today and acknowledge his contributions that have prompted this well-deserved award.

Bob's service to his community has included his election to the City Council in 1992, and being selected to serve as the Mayor Pro-Tem of Cortez in 1995. On the city council, Bob facilitated projects to increase the size of the city's park as well as the building of a new police station. Sitting as chairman on the Sanitation Board, Bob worked hard to see the completion of the city's new sewage treatment facility plant. In addition to all of his outstanding work on the City Council, Bob has dedicated himself to working with numerous charitable and civic organizations in his Cortez community.

Mr. Speaker, it is an honor to rise before this body of Congress and this nation to pay tribute to a dedicated citizen of Colorado. The time and effort Bob puts into serving his community is admirable and worthy of this recognition.

HONORING JAMES WESLEY ''WILLIE'' YORK

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. PRICE of North Carolina. Mr. Speaker, I rise today to pay tribute to James Wesley ''Willie'' York. Mr. York was a builder, developer, realtor and philanthropist whose creativity and generosity have shaped Raleigh and the State of North Carolina in ways we will appreciate and honor for years to come. He died in Raleigh on March 2, at the age of 91, after an outstanding career that spanned the 20th century.

Long before shopping malls and urban planning became the norm in America, Mr. York took the bold step of developing land that combined multifamily housing and shopping facilities in a community setting. When it opened in 1949, Raleigh's Cameron Village was the first shopping center in the Southeast, and it has flourished through multiple changes in the years since. From that visionary development, Mr. York completed numerous other construction projects that have become landmarks in Raleigh. They include York Industrial Park, the Raleigh Farmers' Market, the Velvet Cloak Inn, Mission Valley Inn and Shopping Center, and Northgate Shopping Center in Durham.

Mr. York was also a public servant and made numerous contributions in this arena to enhance the public good. As a member of the Raleigh School Board, he became a leader in the peaceful desegregation of the school system. J. W. York Elementary School was named for him in 1965 in recognition of his efforts. From 1976 to 1985, Mr. York brought visionary leadership to the Raleigh-Durham Airport Authority to ensure that it would continue to meet the demands of a growing region. By organizing major bond campaigns, he raised over $163 million to finance construction of a major runway, additional terminals, and ground transportation. A 1933 graduate of North Carolina State University, Mr. York was also a life-long Wolfpack fan and devoted supporter of that institution. His leadership and generous contributions shaped development of the campus and gave life to the J. C. Raulston Arboretum.

Mr. York is survived by seven children, 13 grandchildren, and four great-grandchildren. I particularly want to acknowledge the leadership of his son Smedes, who has continued his father's development and philanthropic work. Smedes' tenure as mayor of Raleigh from 1979–83 was a progressive era for our capital city, and he has been a respected voice in many projects before and since.

The Fourth Congressional District and all of North Carolina are more livable places because of Mr. York's vision and gutsy determination to enhance the character of our infrastructure and the life of our communities. His legacy is much more than the bricks and mortar of his buildings; they are visible symbols of his strength and imagination. They will continue to be welcome reminders of his leadership in the years ahead.

HONORING THE LIFE OF THE LATE RAUL JULIA

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 2004

Ms. JACKSON-LEE of Texas. Mr. Speaker I rise today as a supporter of H. Con. Res. 287 which honors and recognizes the life of the late Raul Julia. This is an honor that is well deserved for a man who dedicated his life not only to the performing arts but also to his community. I want to thank my distinguished colleague Representative GUTIERREZ for bringing this bill to the floor and giving appreciation for a truly outstanding human being.

As an actor alone Raul Julia has made an outstanding contribution to this country. In New York City he obtained roles in Shakespearean plays that were often not given to Hispanic actors. In his 10 years on the Broadway stage he was nominated for four different Tony Awards. We all remember his role as Rafael the fix it man on Sesame Street. His performances were not only memorable but they made a lasting impression on those who watched him. His success made it possible for Hispanic actors to gain greater recognition.

However, to say that Raul Julia was a great actor is only telling half his story. He was a tremendous activist for the elimination of hunger. It is fitting that after his death in 1994, the Hunger Project for which he had been a spokesman changed its name to the Raúl Juliá Ending Hunger Fund. It was his hope that so many Americans and people worldwide who were downtrodden would have a way to bring themselves up. His life and the efforts he made are an example to us all that success is not merely measured in the number of accolades you receive but in the number of people you touch. Raul Julia touched lives around the world, he was not merely content with success on the stage, he wanted to have the kind of success that was truly felt by people.

The Hispanic community is the fastest growing community in America and with role models like Raul Julia the future for these proud people is bright. There are those who might say that a career in the arts is superfluous, but I have to strongly disagree with them. The arts are what inspire us, what allows us to believe that the impossible is possible. Raul Julia fulfilled that vision and more, his work allowed Hispanic actors to gain greater access to the stage. His work for the hungry and in his birth country of Puerto Rico lifted the spirits of so many. While his life was too brief, it was one that was well spent. Our nation needs more men and women of conscience and determination like Raul Julia, I feel confident that this nation's burgeoning Hispanic community will help produce them.

TRIBUTE TO DON ROBINSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 2004

Mr. MCINNIS. Mr. Speaker, it is with a heavy heart that I rise to pay tribute to the memory of Don Robinson today. To anyone who has skied the beautiful slopes in Aspen, Colorado, they probably have Don Robinson to thank, and it is his contributions to Colorado skiing that I would like to recognize here today.

Don Robinson was a pioneer in his field, creating many of the ski trails on the Aspen Highlands. For over forty-five years, Don worked on the popular mountain, creating most of the original runs. One of the mountain's hardest trails is his namesake, which is fitting considering the amount of hard work and dedication Don put in to making Aspen's ski slopes some of the best in the world. In addition to creating so many trails, Don was an active member of his church where he enjoyed singing with the Church Choir.

Mr. Speaker, it is an honor to rise before this body of Congress and this nation to pay tribute to Don Johnson. Don helped turn a little known town into one of the greatest ski destinations in the world. The Aspen community, the State of Colorado and skiers around the world mourn his passing. My heart goes out to his wife Janet and his family during this difficult time of bereavement.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S2177–S2254

Measures Introduced: Nine bills and two resolutions were introduced, as follows: S. 2163–2171, and S. Res. 310–311. **Page S2223**

Measures Passed:

Miscellaneous Trade and Technical Corrections Act: Senate passed H.R. 1047, 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, after striking all after the enacting clause and inserting in lieu thereof, the text of S. 671, Senate companion measure, after agreeing to the following amendment proposed thereto: **Pages S2187–88**

Grassley/Baucus Amendment No. 2678, to make certain technical amendments. **Page S2188**

Subsequently, S. 671, was returned to the Senate calendar. **Page S2188**

Galisteo Basin Archaeological Sites Protection Act: Senate passed H.R. 506, to provide for the protection of archaeological sites in the Galisteo Basin in New Mexico, clearing the measure for the President. **Page S2253**

Fort Bayard National Historic Landmark Act: Senate passed H.R. 2059, to designate Fort Bayard Historic District in the State of New Mexico as a National Historic Landmark, clearing the measure for the President. **Page S2253**

Jumpstart Our Business Strength (JOBS) Act: Senate continued consideration of S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and taking action on the following amendments proposed thereto: **Pages S2188–S2210, S2211–17**

Adopted:

McConnell/Frist Modified Amendment No. 2680 (to Amendment No. 2660), to protect the jobs of American workers. **Pages S2192–S2206**

Thomas (for McCain) Amendment No. 2685 (to Amendment No. 2660, as modified and amended), to protect United States workers from competition of foreign workforces for performance of Federal and State contracts. **Page S2206**

By 70 yeas to 26 nays (Vote No. 32), Dodd Modified Amendment No. 2660, to protect United States workers from competition of foreign workforces for performance of Federal and State contracts. **Pages S2188–S2210**

Pending:

Bunning Amendment No. 2686, to accelerate the phase-in of the deduction relating to income attributable to domestic production activities. **Pages S2211–17**

Grassley (for Bayh) Amendment No. 2687 (to Amendment No. 2686), to provide for the extension of certain expiring provisions. **Pages S2211–17**

Budget Resolution—Agreement: A unanimous-consent agreement was reached providing for consideration of the concurrent resolution setting forth the congressional budget for the United States government for fiscal year 2005, if available and qualified, at 12 noon, on Monday, March 8, 2004. **Page S2253**

Authority for Committees Agreement: A unanimous-consent agreement was reached providing that notwithstanding the adjournment of the Senate, the Committee on the Budget and the Committee on Foreign Relations, were authorized to file legislative reports on Friday, March 5, 2004, from 10 a.m. until 12 noon. **Page S2253**

Appointments:

National Commission of Small Community Air Service: The Chair, on behalf of the Democratic Leader, pursuant to Public Law 108–176, appointed the following individual to serve as a member of the National Commission of Small Community Air Service: Robb B. Sexauer of South Dakota. **Page S2253**

Abraham Lincoln Study Abroad Fellowship Program: The Chair, on behalf of the Democratic Leader, pursuant to Public Law 108–199, appointed the following individuals to serve as members of the Abraham Lincoln Study Abroad Fellowship Program: Senator Durbin and Brad R. Heegel of South Dakota. **Page S2253**

Messages From the President: Senate received the following message from the President of the United States:

Transmitting, pursuant to law, the text of a proposed Protocol Amending the Agreement for Cooperation Between the Government of the United

States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy; to the Committee on Foreign Relations. (PM–70) **Page S2222**

Messages From the House: **Page S2222**

Measures Referred: **Page S2222**

Executive Reports of Committees: **Pages S2222–23**

Additional Cosponsors: **Pages S2223–24**

Statements on Introduced Bills/Resolutions: **Pages S2224–25**

Additional Statements: **Pages S2220–21**

Amendments Submitted: **Pages S2235–52**

Authority for Committees to Meet: **Pages S2252–53**

Privilege of the Floor: **Page S2253**

Record Votes: One record vote was taken today. (Total—32) **Page S2210**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 7:02 p.m., until 12 noon, on Monday, March 8, 2004. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S2254.)

Committee Meetings

(Committees not listed did not meet)

ANIMAL IDENTIFICATION

Committee on Agriculture, Nutrition, and Forestry: Subcommittee on Marketing, Inspection, and Product Promotion concluded an oversight hearing to examine the development of a national animal identification plan, focusing on the benefits and current status of animal identification systems and the plan of the Department of Agriculture for implementation of a national identification system, after receiving testimony from William Hawks, Under Secretary of Agriculture for Marketing and Regulatory Programs; Bret D. Marsh, Indianapolis, Indiana, on behalf of the U.S. Animal Health Association; Fritz Schmitz-Hsu, Ittigen, Switzerland, on behalf of the Animal Tracking Corporation; Mike John, Columbia, Missouri, on behalf of the National Cattlemen's Beef Association; Joy Philippi, Bruning, Nebraska, on behalf of the National Pork Producers Council; Bob Lehfeldt, Montana Wool Growers Association, Helena, on behalf of the American Sheep Industry Association; and Ronald Ostberg, Montana Farmers Union, Great Falls, on behalf of the National Farmers Union.

APPROPRIATIONS: DEPARTMENT OF ENERGY

Committee on Appropriations: Subcommittee on Interior and Related Agencies concluded a hearing to examine proposed budget estimates for fiscal year 2005 for the Department of Energy, after receiving testimony from Spencer Abraham, Secretary of Energy.

APPROPRIATIONS: GAO/GPO/CBO

Committee on Appropriations: Subcommittee on Legislative Branch concluded a hearing to examine proposed budget estimates for fiscal year 2005 for the General Accounting Office (GAO), the Government Printing Office (GPO), and the Congressional Budget Office (CBO), after receiving testimony from David M. Walker, Comptroller General, Gene L. Dodaro, Chief Operating Officer, Stanley Czerwinski, Associate Director, Housing and Community Development Issues, and Sallyanne Harper, Chief Mission Support Office and Chief Financial Officer, all of the General Accounting Office; Bruce James, Public Printer and William H. Turri, Deputy Public Printer, both of the Government Printing Office; and Douglas Holtz-Eakin, Director, and Elizabeth M. Robinson, Deputy Director, both of the Congressional Budget Office.

APPROPRIATIONS: DEPARTMENT OF EDUCATION

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education concluded a hearing to examine proposed budget estimates for fiscal year 2005 for the Department of Education, after receiving testimony from Roderick Paige, Secretary of Education; Paul G. Vallas, School District of Philadelphia, Sam Evans, American Foundation for Negro Affairs, and C. Delores Tucker, Philadelphia Martin Luther King, Jr. Association for Nonviolence, Inc., all of Philadelphia, Pennsylvania; James Weaver, Pennsylvania State Education Association, Harrisburg; Melissa Jamula, Reading School District, Reading, Pennsylvania; James R. Scanlon, Quakertown Community School District, Quakertown, Pennsylvania; and Marie Slobojan, Tredyffrin/Easttown School District, Berwyn, Pennsylvania.

DEFENSE AUTHORIZATION

Committee on Armed Services: Committee concluded a hearing to examine the Defense Authorization Request for Fiscal Year 2005, focusing on military strategy and operational requirements, after receiving testimony from General James L. Jones, Jr., USMC, Commander, United States European Command and Supreme Allied Commander, Europe; and General John P. Abizaid, USA, Commander, United States Central Command.

DEFENSE AUTHORIZATION

Committee on Armed Services: Subcommittee on Personnel concluded a hearing to examine the Defense Authorization Request for fiscal year 2005, focusing on compensation, benefits, and health care for active and Reserve military personnel and their families, after receiving testimony from Senators Daschle and Graham (SC); Charles S. Abell, Principal Deputy Under Secretary for Personnel and Readiness, and William Winkenwerder, Jr., Assistant Secretary for Health Affairs, both of the Department of Defense;

Joyce Wessel Raezer, National Military Family Association, Sue Schwartz, Military Coalition Health Care Committee, Master Sergeant Michael P. Cline, USA (Ret.), Enlisted Association of the National Guard of the United States, all of Alexandria, Virginia; Deirdre Parke Holleman, Retired Enlisted Association, Aurora, Colorado; and Colonel Dennis M. Duggan, USA (Ret.), American Legion, Washington, D.C.

2005 BUDGET

Committee on the Budget: Committee continued in evening session to mark up a proposed concurrent resolution setting forth the fiscal year 2005 budget for the Federal Government.

NOMINATIONS

Committee on Commerce, Science, and Transportation: Committee concluded a hearing to examine the nominations of Rhonda Keenum, of Mississippi, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Services, who was introduced by Senator Cochran and Representative Wicker; Linda Morrison Combs, of North Carolina, to be an Assistant Secretary for Budget and Programs and Chief Financial Officer, Department of Transportation, who was introduced by Senator Dole; W. Douglas Buttrey, of Tennessee, who was introduced by Representative Ford, and Francis Mulvey, of Maryland, both to be a Member of the Surface Transportation Board, Department of Transportation, who was introduced by Representative Oberstar, after each nominee testified and answered questions in their own behalf.

ENERGY OUTLOOK 2004

Committee on Energy and Natural Resources: Committee concluded a hearing to examine the Energy Information Administration (EIA) Annual Energy Outlook 2004 forecast regarding the supply, demand, and price projections for oil, natural gas, nuclear, coal and renewable resources, including commercial and market perspectives on the state of oil and natural gas markets, after receiving testimony from Guy F. Caruso, Administrator, Energy Information Administration, Department of Energy; Richard J. Sharples, Anadarko Petroleum Corporation, The Woodlands, Texas; Paul D. Koonce, Dominion Energy, Inc., Richmond, Virginia; and Jay Saunders, DeutscheBank, New York, New York.

NUCLEAR POWER GENERATION

Committee on Energy and Natural Resources: Subcommittee on Energy concluded a hearing to examine new nuclear power generation in the United States, focusing on Browns Ferry Unit 1, nuclear power plant license renewal, power uprates (requests to raise the maximum power level at which a nuclear power plant may be operated), and heightened security at U.S. commercial reactors, after receiving testimony from Glenn L. McCullough, Jr., Chairman, Tennessee Valley Authority; William D. Travers, Executive Director for Operations, U.S. Nuclear Regulatory Commission; Marvin S. Fertel, Nuclear Energy Institute, Washington, D.C.; James K. Asselstine, Lehman Brothers, Inc., New York, New York; and Jim M. Bernhard, Shaw Group, Baton Rouge, Louisiana.

BUSINESS MEETING

Committee on Foreign Relations: Committee ordered favorably reported the following items:

S. 2144, to authorize appropriations for the Department of State and international broadcasting activities for fiscal year 2005, for the Peace Corps for fiscal year 2005 through 2007, for foreign assistance programs for fiscal year 2005, with amendments;

S. 2096, to promote a free press and open media through the National Endowment for Democracy;

S. 2127, to build operational readiness in civilian agencies;

Convention Between the Government of the United States of America and the Government of Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at Washington on November 6, 2003, together with a Protocol and an exchange of notes (the ''Convention'') (Treaty Doc. 108–14);

The Convention Between the Government of the United States of America and the Government of the Democratic Socialist Republic of Sri Lanka for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, Signed at Colombo on March 14, 1985. (Treaty Doc. 99–10);

Protocol Amending the Convention Between the Government of the United States of America and the Government of the Democratic Socialist Republic of Sri Lanka for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income signed at Colombo on March 14, 1985, together with an exchange of notes, signed at Washington on September 20, 2002 (the ''Protocol'') (Treaty Doc. 108–9), with 1 understanding;

The Protocol Additional to the Agreement Between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America, with annexes, signed at Vienna June 12, 1998 (Treaty Doc. 107–7), with 2 conditions and 8 understandings; and

The nominations of Feliciano Foyo, of Florida, and Robert Hurley McKinney, of Indiana, each to be a Member of the Advisory Board for Cuba Broadcasting, Edward E. Kaufman, of Delaware, and Steven J. Simmons, of Connecticut, each to be a Member of the Broadcasting Board of Governors, Glyn T. Davies, of the District of Columbia, for the rank of Ambassador during his tenure of service as the Political Director for the United States Presidency of the G–8, and Sanford Gottesman, of Texas, Diane M. Ruebling, of California, and C. William Swank, of Ohio, each to be a Member of the Board of Directors

of the Overseas Private Investment Corporation, and Richard S. Williamson, of Illinois, for the rank of Ambassador during his tenure of service as Representative of the United States of America on the Human Rights Commission of the Economic and Social Council of the United Nations.

HONG KONG

Committee on Foreign Relations: Subcommittee on East Asian and Pacific Affairs concluded a hearing to examine the prospects for democratic development in Hong Kong, focusing on the challenge of redefining Hong Kong's economic and political structure, after receiving testimony from Randall G. Schriver, Deputy Assistant Secretary of State for East Asian and Pacific Affairs; Martin Lee Chu-ming and James To, each a member of Hong Kong's Legislative Council, Lee Cheuk-yan, Hong Kong Confederation of Trade Unions, and Law Yuk-Kai, Human Rights Monitor Director, all of Hong Kong; and James V. Feinerman, Georgetown University Law Center, Ellen Bork, Project for the New American Century, and John J. Tkacik, Jr., Heritage Foundation, all of Washington, D.C.

HIGHER EDUCATION ACT & THE WORKFORCE

Committee on Health, Education, Labor, and Pensions: Committee concluded a hearing to examine issues for reauthorization of the Higher Education Act, focusing on a knowledge-based economy, the relationship between postsecondary education and the workforce, and financial aid, after receiving testimony from Charles H. Bohlen, Laramie County Community College, Cheyenne, Wyoming, on behalf of the American Association of Community Colleges on the Higher Education Act; James C. Votruba, Northern Kentucky University, Highland Heights; Beth B. Buehlmann, U.S. Chamber of Commerce Center for Workforce Preparation, Washington, D.C.; Diana G. Oblinger, Microsoft Corporation, Bellevue, Washington; and Ellen O'Brien Saunders, Washington State Workforce Training and Education Coordinating Board, Olympia.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the nominations of Raymond W. Gruender, of Missouri, to be United States Circuit Judge for the Eighth Circuit, Franklin S. Van Antwerpen, of Pennsylvania, to be United States Circuit Judge for the Third Circuit, Judith C. Herrera, to be United States District Judge for the District of New Mexico, F. Dennis Saylor IV, to be United States District Judge for the District of Massachusetts, Sandra L. Townes, to be United States District Judge for the Eastern District of New York, 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, Kenneth M. Karas, to be United States District Judge for the Southern District of New York, Ricardo S. Martinez, of Washington, to be United States District Judge for the Western District of Washington, Gene E. K. Pratter, to be United States District Judge for the Eastern District of Pennsylvania, Neil Vincent Wake, to be United States District Judge for the District of Arizona,

William S. Duffey, Jr., to be United States District Judge for the Northern District of Georgia, and Michele M. Leonhart, of California, to be Deputy Administrator of Drug Enforcement,

Domingo S. Herraiz, of Ohio, to be Director of the Bureau of Justice Assistance, LaFayette Collins, to be United States Marshal for the Western District of Texas, and Ronald J. Tenpas, of Illinois, to be United States Attorney for the Southern District of Illinois, all of the Department of Justice.

INTELLIGENCE

Select Committee on Intelligence: Committee concluded closed hearings on intelligence matters after receiving testimony from officials of the intelligence community.

MONEY LAUNDERING

United States Senate Caucus on International Narcotics Control: Caucus concluded a hearing to examine the current status of federal efforts to coordinate and combat money laundering and terrorist financing, after receiving testimony from Loren Yager, Director, International Affairs and Trade, General Accounting Office; Juan C. Zarate, Deputy Assistant Secretary of the Treasury, Executive Office for Terrorist Financing and Financial Crimes; Michael T. Dougherty, Director of Operations, U.S. Immigration and Customs Enforcement, Department of Homeland Security; and Gary M. Bald, Acting Assistant Director, Counterterrorism Division, Federal Bureau of Investigation, and Karen P. Tandy, Administrator, Drug Enforcement Administration, both of the Department of Justice; and Raymond W. Baker, Center for International Policy, Washington, D.C.

House of Representatives

Chamber Action

Measures Introduced: 22 public bills, H.R. 3890–3911; 1 private bill, H.R. 3912; and 2 resolutions, H. Con. Res. 378–379, were introduced. **Pages H870–71**

Additional Cosponsors: **Pages H871–72**

Reports Filed: No reports were filed today.

Pension Funding Equity Act of 2003—Motion to go to Conference: The House disagreed to the Senate amendment to H.R. 3108, to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and agreed to a conference. **Page H835**

Appointed as conferees: From the Committee on Education and the Workforce, for consideration of the House bill and the Senate amendment, and modification committed to conference: Representatives Boehner, McKeon, Sam Johnson (TX), Tiberi, George Miller (CA), and Andrews. **Page H835**

From the Committee on Ways and Means, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Representatives Thomas, Portman, and Rangel. **Page H835**

Commercial Space Launch Amendments Act of 2004: The House passed H.R. 3752, to promote the development of the emerging commercial human space flight industry, to extend the liability indemnification regime for the commercial space transportation industry, to authorize appropriations for the Office of the Associate Administrator for Commercial Space Transportation, by a yea-and-nay vote of 402 yeas to 1 nay, Roll No. 39. **Pages H835–40**

Agreed to:

Boehlert amendment (No. 1 printed in the Congressional Record of March 3) that makes technical corrections to the bill; and **Page H839**

Flake amendment (No. 2 printed in the Congressional Record of March 3) that holds funding for the next three fiscal years for the Federal Aviation Administration's Office of Associate Administrator for Commercial Space Transportation at the current spending level. **Pages H839–40**

H. Res. 546, the rule providing for consideration of the bill was agreed to on Wednesday, March 3.

Suspensions: The House agreed to suspend the rules and pass the following measures:

Honoring the men and women of the Drug Enforcement Administration on the occasion of its 30th Anniversary: Debated on March 3, H. Res. 412, honoring the men and women of the Drug Enforcement Administration on the occasion of its 30th Anniversary, by a ⅔ yea-and-nay vote of 402 yeas to 1 nay, Roll No. 40; and **Page H841**

Supporting the goals of Japanese American, German American, and Italian American communities in recognizing a National Day of Remembrance: Debated on March 3, H. Res. 56, supporting the goals of the Japanese American, German American, and Italian American communities in recognizing a National Day of Remembrance to increase public awareness of the events surrounding the restriction, exclusion, and internment of individuals and families during World War II, by a yea-and-nay vote of 404 yeas with none voting "nay", Roll No. 41. **Pages H841–42**

Late Report: Agreed that the Committee on the Judiciary have until midnight on March 5 to file a report on H.R. 339, to prevent frivolous lawsuits against the manufacturers, distributors, or sellers of food or non-alcoholic beverage products that comply with applicable statutory and regulatory requirements. **Page H843**

Meeting Hour: Agreed that when the House adjourn today, it adjourn to meet at 12 noon on Monday, March 8, and further that when it adjourn on that day, it adjourn to meet at 12:30 p.m. on Tuesday, March 9 for Morning-Hour debate. **Page H843**

Calendar Wednesday: Agreed to dispense with the Calendar Wednesday business of Wednesday, March 10. **Page H843**

Presidential Message: Read a letter from the President wherein he transmitted the text a proposed Protocol Amending the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy—referred to the Committee on International Relations and ordered printed (H. Doc. 108–169). **Page H868**

Senate Message: Message from the Senate appears today on page H833.

Senate Referral: S. 2057 was referred to the Committee on Armed Services. **Page H869**

Quorum Calls—Votes: Three yea-and-nay votes developed during the proceedings today and appear on pages H840, H841, and H841–42. There were no quorum calls.

Adjournment: The House met at 11:30 a.m. and adjourned at 4:58 p.m.

Committee Meetings

MARKETING AND REGULATORY PROGRAMS

Committee on Appropriations: Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies held a hearing on Marketing and Regulatory Programs. Testimony was heard from the following officials of the USDA: William T. Hawks, Under Secretary, Marketing and Regulatory Programs; Bobby R. Accord, Administrator, Animal and Plant Health Inspection Service; A.J. Yates, Administrator, Agricultural Marketing Service; and Donna Reifschneider, Administrator, Grain Inspection, Packers and Stockyards Administration.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS

Committee on Appropriations: Subcommittee on Energy and Water Development held a hearing on the Bureau of Reclamation. Testimony was heard from the following officials of the Department of the Interior: Gale A. Norton, Secretary; and John W. Keys III, Commissioner, Bureau of Reclamation.

HOMELAND SECURITY APPROPRIATIONS

Committee on Appropriations: Subcommittee on Homeland Security held a hearing on Secretary of Homeland Security. Testimony was heard from Tom Ridge, Secretary of Homeland Security.

INTERIOR AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Interior and Related Agencies held a hearing on the Fish and Wildlife Service. Testimony was heard from Steven A. Williams, Director, Fish and Wildlife Service, Department of the Interior.

LABOR, HHS, EDUCATION AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, Education and Related Agencies held a hearing on Secretary of Health and Human Services. Testimony was heard from Tommy G. Thompson, Secretary of Health and Human Services.

VA, HUD AND INDEPENDENT AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Veterans' Affairs, HUD and Independent Agencies held a hearing on the EPA. Testimony was heard from Michael Leavitt, Administrator, EPA.

NATIONAL DEFENSE AUTHORIZATION—MILITARY CONSTRUCTION BUDGET REQUEST

Committee on Armed Services: Subcommittee on Readiness held a hearing on the Fiscal Year 2005 National Defense Authorization budget request—Military Construction Budget Request for the Programs of the Department of the Army and the Department of the Navy. Testimony was heard from the following officials of the Department of the Army: Geoffrey G. Prosch, Acting Assistant Secretary, Installations and Environment; Maj. Gen. Larry J. Lust, USA, Assistant Chief of Staff, Installation Management; Maj. Gen. Walter Pudlowski, USA, Special Assistant to the Director, Army National Guard; and Brig. Gen. Gary M. Profit, USA, Deputy Chief, Army Reserve; and the following officials of the Department of the Navy: H.T. Johnson, Assistant Secretary, Installations and Environment; Rear Adm. Christopher Weaver, USN, Commander, Navy Installations; and Brig. Gen. Willie J. Williams, USMC, Assistant Deputy Commandant, Installations and Logistics (Facilities), Commandant of the Marine Corps (LF).

NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST—AVIATION INDUSTRIAL BASE AND DOD ROTORCRAFT INVESTMENT PROGRAMS

Committee on Armed Services: Subcommittee on Tactical Air and Land Forces held a hearing on the Fiscal Year 2005 National Defense Authorization budget request—Aviation Industrial Base and Department of Defense Rotorcraft Investment Programs. Testimony was heard from the following officials of the Department of Defense: Al Shaffer, Director, Plans and Programs for the Director, Defense Research and Engineering, Office of the Secretary; Maj. Gen. James D. Thurman, USA, Director, Army Aviation Task Force; Tom Laux, Program Executive Officer (Air Anti-Submarine Warfare, Assault, and Special Missions), Department of the Navy; Rear Adm. Andy Winns, USN, Deputy N78 Aviation Requirements Officer for Helicopters, U.S. Navy; and Brig. Gen. Samuel T. Helland, USMC, Assistant Deputy Commandant, Aviation, U.S. Marine Corps; Joseph H. Bogosian, Deputy Assistant Secretary, Transportation and Machinery, Department of Commerce; and a public witness.

NATIONAL DEFENSE AUTHORIZATION REQUEST—DOD HOMELAND DEFENSE AND HOMELAND SECURITY MISSIONS

Committee on Armed Services: Subcommittee on Terrorism, Unconventional Threats and Capabilities held a hearing on the Fiscal Year 2005 National Defense Authorization Budget Request—Department of Defense Responsibilities in Homeland Defense and Homeland Security Missions. Testimony was heard from the following officials of the Department of Defense: Paul McHale, Assistant Secretary (Homeland Defense); Lt.. Gen. H. Steven Blum, USA, Chief, National Guard Bureau; and Maj. Gen. John A. Love, USAF, Special Assistant to the Commander, Northern Command, National Guard Matters.

CHILD NUTRITION AND IMPROVEMENT INTEGRITY ACT

Committee on Education and the Workforce: Subcommittee on Education Reform approved for full Committee action, as amended, H.R. 3873, Child Nutrition Improvement and Integrity Act.

PRESCRIPTION DRUG MONITORING

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled ''Prescription Drug Monitoring: Strategies to Promote Treatment and Deter Prescription Drug Abuse.'' Testimony was heard from Representative Rogers of Kentucky; Marcia Crosse, Director, HealthCare/Public Health and Military Health Care Issues; James W. Holsinger, M.D., Secretary, Health and Family Services, State of Kentucky; and public witnesses.

SECURITY DOE NUCLEAR FACILITIES

Committee on Energy and Commerce: Subcommittee on Oversight and Investigations held a hearing entitled ''A Review of Security DOE Nuclear Facilities and the Implementation of the Revised Design Basis Threat.'' Testimony was heard from the following officials of the Department of Energy: Glenn S. Podonsky, Director, Office of Security and Safety Performance Assurance; Herbert Richardson, Principal Deputy Inspector General; and William J. Brumley, Manager, Y–12 Sit Office, National Nuclear Security Administration; and public witnesses.

OVERSIGHT—FDIC

Committee on Financial Services: Subcommittee on Oversight and Investigations held a hearing entitled ''Oversight of the Federal Deposit Insurance Corporation.'' Testimony was heard from the following officials of the FDIC: Donald E. Powell, Chairman; and Gaston L. Gianni, Jr., Inspector General; and Jeanette M. Franzel, Director, Financial Management and Assurance, GAO.

MISCELLANEOUS MEASURES

Committee on Government Reform: Ordered reported the following bills: H.R. 3059, To designate the facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, as the ''Lloyd L. Burke Post Office;'' H.R. 3723, To designate the facility of the United States Postal Service located at 8135 Forest Lane in Dallas, Texas, as the ''Vaughn Gross Post Office Building;'' and H.R. 3855, To designate the facility of the United States Postal Service located at 607 Pershing Drive in Laclede, Missouri, as the ''General John J . Pershing Post Office.''

US-VISIT PROGRAM—GOALS AND CHALLENGES

Committee on Government Reform: Held a hearing entitled ''America's New Welcome Mat: A Look at the Goals and Challenges of the US-VISIT Program.'' Testimony was heard from Asa Hutchinson, Under Secretary, Border and Transportation Security, Department of Homeland Security; Maura Harty, Assistant Secretary, Consular Affairs, Department of State; and public witnesses.

U.S. GOVERNMENT STRATEGY FOR FIGHTING HIV/AIDS

Committee on International Relations: Held a hearing on The United States Government Strategy for Fighting HIV/AIDS: Implementation of Public Law 108–25. Testimony was heard from Ambassador Randall L. Tobias, Coordinator for HIV/AIDS, Department of State.

OVERSIGHT—ALIEN REMOVAL UNDER OPERATION PREDATOR

Committee on the Judiciary: Subcommittee on Immigration, Border Security, and Claims held an oversight hearing on Alien Removal Under ''Operation Predator.'' Testimony was heard from Michael J. Garcia, Assistant Secretary, Immigration and Customs Enforcement, Department of Homeland Security; and John Walsh, host of ''America's Most Wanted: America Fights Back.''

OVERSIGHT—U.S. COAST GUARD AND FEDERAL MARITIME COMMISSION REQUESTS; COAST GUARD AUTHORIZATION ACT

Committee on Transportation and Infrastructure: Subcommittee on Coast Guard and Maritime Transportation held an oversight hearing on the U.S. Coast Guard and Federal Maritime Commission Fiscal Year 2005 Budget Requests, and H.R. 3879, Coast Guard Authorization Act for Fiscal Year 2005. Testimony was heard from the following officials of the U.S. Coast Guard, Department of Homeland Security: Adm. Thomas H. Collins, Commandant; and Master Chief Petty Officer, Franklin A. Welch; and Steven R. Blust, Chairman, Federal Maritime Commission.

BUDGET VIEWS AND ESTIMATES; DEPARTMENT OF LABOR'S BUDGET PROPOSAL

Committee on Ways and Means: Approved the Committee's Budget Views and Estimates for Fiscal Year 2005 for submission to the Committee on the Budget.

The Committee also held a hearing on the President's Fiscal Year 2005 Budget for the Department of Labor. Testimony was heard from Elaine L. Chao, Secretary of Labor.

TERROR THREATS; DETAINEE INFORMATION UPDATE

Permanent Select Committee on Intelligence: Met in executive session to hold a hearing on Terror Threats. Testimony was heard from departmental witnesses.

The Committee also met in executive session to hold a hearing on Detainee Information Update. Testimony was heard from departmental witnesses.

DEPARTMENT OF HOMELAND SECURITY'S INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION BUDGET PROPOSAL

Select Committee on Homeland Security: Subcommittee on Intelligence and Counterterrorism and the Subcommittee on Infrastructure and Border Security held a joint hearing entitled "The Department of Homeland Security's Information Analysis and Infrastructure Protection Budget Proposal for Fiscal Year 2005." Testimony was heard from Frank Libutti, Under Secretary, Information Analysis and Infrastructure Protection, Department of Homeland Security.

Joint Meetings

LEGISLATIVE PRESENTATIONS

Joint Hearing: Senate Committee on Veterans' Affairs concluded joint hearings with the House Committee on Veterans' Affairs to examine legislative presentations of certain veterans organizations, after receiving testimony from Al Silvano, Military Order of the Purple Heart, Springfield, Virginia; Joseph L. Fox, Sr., Paralyzed Veterans of America, Paul Bernstein, Jewish War Veterans, and Neil Appleby, Blinded Veterans Association, all of Washington, D.C.; and H. Gene Overstreet, Non Commissioned Officers Association, San Antonio, Texas.

COMMITTEE MEETINGS FOR FRIDAY, MARCH 5, 2004

(Committee meetings are open unless otherwise indicated)

Senate

No meetings/hearings scheduled.

House

Committee on Government Reform, hearing entitled "Public Confidence, Down the Drain: The Federal Role in Ensuring Safe Drinking Water in the District of Columbia," 10 a.m., 2154 Rayburn.

Permanent Select Committee on Intelligence, executive hearing on Iraqi Weapons of Mass Destruction, 9 a.m., H–405 Capitol.

Joint Meetings

Joint Economic Committee: to hold hearings to examine the employment situation for February, 9:30 a.m., SD–562.

CONGRESSIONAL PROGRAM AHEAD

Week of March 8 through March 13, 2004

Senate Chamber

On *Monday,* at 12 noon, Senate will consider the Concurrent Budget Resolution, if available.

During the balance of the week, Senate may consider any other cleared legislative and executive business.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Appropriations: March 9, Subcommittee on Homeland Security, to hold hearings to examine proposed budget estimates for fiscal year 2005 for border and transportation security, 10 a.m., SD–124.

March 9, Subcommittee on Transportation, Treasury and General Government, to hold hearings to examine budget and management challenges for the Department of Transportation, 10 a.m., SD–138.

March 9, Subcommittee on Commerce, Justice, State, and the Judiciary, to hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Justice, 10:30 a.m., SD–192.

March 10, Subcommittee on Defense, to hold hearings to examine proposed budget estimates for fiscal year 2005 for Navy and Marine Corps programs, 10 a.m., SD–192.

March 11, Subcommittee on Interior, to hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Agriculture's Forest Service, 9:30 a.m., SD–124.

March 11, Subcommittee on VA, HUD, and Independent Agencies, to hold hearings to examine proposed budget estimates for fiscal year 2005 for the National Aeronautics and Space Administration, 10 a.m., SD–106.

March 11, Subcommittee on Legislative Branch, to hold hearings to examine proposed budget estimates for fiscal year 2005 for the Library of Congress, 11 a.m., SD–138.

March 11, Subcommittee on Energy and Water Development, to hold hearings to examine proposed budget estimates for fiscal year 2005 for the Bureau of Reclamation and the Army Corps of Engineers, 2 p.m., SD–124.

Committee on Armed Services: March 9, to hold hearings to examine current and future worldwide threats to the national security of the United States; to be followed by a closed session in SH–219, 9:30 a.m., SD–106.

March 9, Subcommittee on Readiness and Management Support, to hold hearings to examine military readiness programs in review of the defense authorization request for fiscal year 2005, 2:30 p.m., SR–232A.

March 9, Subcommittee on Readiness and Management Support, to hold hearings to examine military readiness programs in review of the defense authorization request for fiscal year 2005, 2:30 p.m., SR–232A.

March 10, Subcommittee on Emerging Threats and Capabilities, to hold hearings to examine the defense nuclear nonproliferation programs of the Department of Energy and the Cooperative Threat Reduction programs of the Department of Defense in review of the defense authorization request for fiscal year 2005; to be followed by closed hearings in SR–232A, 9:30 a.m., SR–222.

March 10, Subcommittee on SeaPower, to hold hearings to examine the posture of the U.S. Transportation Command in review of the defense authorization request for fiscal year 2005 and the future years defense program, 2 p.m., SR–232A.

March 11, Full Committee, to hold hearings to examine missile defense in review of the Defense Authorization Request for fiscal year 2005, 9:30 a.m., SR–325.

March 11, Subcommittee on Airland, to hold hearings to examine Army Transformation in review of the defense authorization request for fiscal year 2005 and the future years defense program, 2 p.m., SR–232A.

Committee on Banking, Housing, and Urban Affairs: March 10, Subcommittee on International Trade and Finance, to hold hearings to examine Argentina's financial crisis, 1 p.m., SD–538.

March 11, Full Committee, to resume hearings to examine current investigations and regulatory actions regarding the mutual fund industry relating to the regulatory landscape, 10 a.m., SD–538.

March 11, Subcommittee on Economic Policy, to hold an oversight hearing to examine national flood insurance repetitive losses, 2:30 p.m., SD–538.

Committee on Commerce, Science, and Transportation: March 9, business meeting to consider pending calendar business, 9:30 a.m., SR–253.

March 10, Full Committee, to hold hearings to examine the use and effects of steroids, 10 a.m., SR–253.

March 10, Subcommittee on Science, Technology, and Space, to hold hearings to examine NASA/Mars exploration program, 2:30 p.m., SR–253.

March 11, Full Committee, to hold hearings to examine lessons learned relating to the 1996 Telecommunications Act, 9:30 a.m., SR–253.

Committee on Energy and Natural Resources: March 9, to hold oversight hearings to examine water supply issues in the arid West, 10 a.m., SD–366.

March 9, Subcommittee on National Parks, to hold hearings to examine S. 1306, to introduce the efforts of the California Missions Foundation to restore and repair the Spanish colonial and mission-era missions in the State of California and to preserve the artworks and artifacts of these missions, H.R. 1521, to provide for additional lands to be included within the boundary of the Johnstown Flood National Memorial in the State of Pennsylvania, H.R. 1446, to support the efforts of the California Missions Foundation to restore and repair the Spanish colonial and mission-era missions in the State of California and to preserve the artworks and artifacts of these missions, S. 1430, to direct the Secretary of the Interior to conduct a study of the Baranov Museum in Kodiak, Alaska, for potential inclusion in the National Park System, and S. 1687, to direct the Secretary of the Interior to conduct a study on the preservation and interpretation of the historic sites of the Manhattan Project for potential inclusion in the National Park System, 2:30 p.m., SD–366.

March 10, Full Committee, business meeting to consider pending calendar business, 11:30 a.m., SD–366.

March 10, Subcommittee on Public Lands and Forests, to hold hearings to examine S. 1354, to resolve certain conveyances and provide for alternative land selections under the Alaska Native Claims Settlement Act related to Cape Fox Corporation and Sealaska Corporation, S. 1575 and H.R. 1092, both to direct the Secretary of Agriculture to sell certain parcels of Federal land in Carson City and Douglas County, Nevada, S. 1778, to authorize a land conveyance between the United State and the City of Craig, Alaska, S. 1819 and H.R. 272, both to direct the Secretary of Agriculture to convey certain land to Lander County, Nevada, and the Secretary of the Interior to convey certain land to Eureka County, Nevada, for continued use as cemeteries, and H.R. 3249, to extend the term of the Forest Counties Payments Committee, 2:30 p.m., SD–366.

March 11, Full Committee, to hold hearings to examine S. 2086, to amend the Surface Mining Control and Reclamation Act of 1977 to improve the reclamation of abandoned mines, and S. 2049, to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize collection of reclamation fees, revise the abandoned mine reclamation program, promote remining, authorize the Office of Surface Mining to collect the black lung excise tax, and make sundry other changes, 10 a.m., SD–366.

March 11, Full Committee, to hold hearings to examine the nomination of Sue Ellen Wooldridge, of Virginia, to be Solicitor of the Department of the Interior, 2:30 p.m., SD–366.

Committee on Environment and Public Works: March 10, to hold hearings to examine the President's proposed fiscal year 2005 budget for the Environmental Protection Agency, 9:30 a.m., SD–406.

Committee on Finance: March 8, to hold hearings to examine the nominations of Mark B. McClellan, of the District of Columbia, to be Administrator of the Centers for Medicare and Medicaid Services, Brian Carlton Roseboro, of New Jersey, to be an Under Secretary of the Treasury, Donald Korb, of Ohio, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury, and Mark J. Warshawsky, of Maryland, to be an Assistant Secretary of the Treasury, 2 p.m., SD–215.

March 9, Full Committee, to hold hearings to examine the administration's international trade agenda, 10 a.m., SD–215.

March 10, Full Committee, to hold hearings to examine United States economic and trade policy in the Middle East, 2 p.m., SD–215.

Committee on Foreign Relations: March 8, to hold a closed briefing regarding security preparations for 2004 Olympic Games, 12:30 p.m., S–407, Capitol.

March 8, Full Committee, to hold a closed briefing on counter-terrorism cooperation relating to Saudi Arabia, 3 p.m., S–407, Capitol.

March 10, Full Committee, to hold hearings to examine nonproliferation and arms control issues, focusing on strategic choices, 9:30 a.m., SD–419.

March 10, Subcommittee on Western Hemisphere, Peace Corps and Narcotics Affairs, to hold hearings to examine the future of U.S.-Haitian relations, 2:30 p.m., SD–419.

Committee on Governmental Affairs: March 9, to hold hearings to examine postal reform issues, focusing on sustaining the 9 million jobs in the $900 billion mailing industry, 10 a.m., SD–342.

March 11, Full Committee, to resume hearings to examine postal reform issues, focusing on sustaining the 9 million jobs in the $900 billion mailing industry, 9:30 a.m., SD–342.

Committee on Health, Education, Labor, and Pensions: March 9, to hold hearings to examine advantages and impediments in relation to a year round college calendar, 9:30 a.m., SD–430.

Committee on Indian Affairs: March 10, to hold oversight hearings to examine proposed reorganization of major agencies and functions related to Indian trust reform matters within the Department of the Interior, 9:30 a.m., SR–485.

Committee on the Judiciary: March 10, to hold hearings to examine S.J. Res. 4, proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States, 10 a.m., SD–106.

March 10, Full Committee, to hold hearings to examine pending judicial nominations, 2:30 p.m., SD–226.

Committee on Rules and Administration: March 10, to hold hearings to examine the scope and operation of organizations registered under Section 527 of the Internal Revenue Code, 9:30 a.m., SR–301.

Committee on Veterans' Affairs: March 9, to hold hearings to examine S. 1509, to amend title 38, United States Code, to provide a gratuity to veterans, their spouses, and children who contract HIV or AIDS as a result of a blood transfusion relating to a service-connected disability, 2:30 p.m., SR–418.

March 10, Full Committee, to hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentation of the Veterans of Foreign Wars, 10 a.m., SH–216.

Select Committee on Intelligence: March 9, to hold closed hearings to examine certain intelligence matters, 2:30 p.m., SH–219.

March 11, Full Committee, to hold closed hearings to examine certain intelligence matters, 2:30 p.m., SH–219.

Special Committee on Aging: March 9, to hold hearings to examine the new Medicare drug discount card, 10 a.m., SD–628.

House Chamber

Program to be announced.

House Committees

Committee on Agriculture, March 11, Subcommittee on Speciality Crops and Foreign Agriculture Programs, hearing to review the Peanut Program, 10 a.m., 1300 Longworth.

Committee on Appropriations, March 9, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, on Teachers and Math and Science Education, 10 a.m., 2358 Rayburn.

March 10, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, on Research, Education and Extension, 9:30 a.m., 2362A Rayburn.

March 10, Subcommittee on Commerce, Justice, State, Judiciary and Related Agencies, on the Attorney General, 10 a.m., and on Department of State, Administration of Foreign Affairs, 2 p.m., H–309 Capitol.

March 10, Subcommittee on Defense, on Army Budget Overview, 10 a.m., 2212 Rayburn and, executive, on Army Acquisition Programs, 1:30 p.m., H–140 Capitol.

March 10, Subcommittee on Energy and Water Development, on U.S. Army Corps of Engineers, 1 p.m., 2362B Rayburn.

March 10, Subcommittee on Foreign Operations, Export Financing and Related Programs, on the Secretary of State, 10 a.m., 2359 Rayburn.

March 10, Subcommittee on Interior and Related Agencies, on Indian Health Services, 10 a.m., B–308 Rayburn.

March 10, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, on Centers for Medicare and Medicaid Services, 10:15 a.m., and on Agency for Healthcare Research and Quality, 11:20 a.m., 2358 Rayburn.

March 10, Subcommittee on Military Construction, on Budget Overview, 1 p.m., B–300 Rayburn.

March 10, Subcommittee on Transportation, Treasury and Independent Agencies, on GSA, 10 a.m., 2358 Rayburn.

March 10, Subcommittee on VA, HUD and Independent Agencies, on Department of Veterans Affairs, 10 a.m., H–140 Capitol, and 1 p.m., H–143 Capitol.

March 11, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, on FDA, 9:30 a.m., 2362A Rayburn.

March 11, Subcommittee on Commerce, State, Justice, Judiciary and Related Agencies, on Federal Judiciary, 10 a.m., H–309 Capitol.

March 11, Subcommittee on Energy and Water Development, on Secretary of Energy, 10 a.m., 2362B Rayburn.

March 11, Subcommittee on Homeland Security, on Border and Transportation Security, 10 a.m., and on Acting Administrator, Transportation Security Administration, 1 p.m., 2359 Rayburn.

March 11, Subcommittee on Labor Health and Human Services, Education and Related Agencies, on Secretary of Education, 10 a.m., 2358 Rayburn.

March 11, Subcommittee on VA, HUD and Independent Agencies, on Congressional Witnesses, 10 a.m., H–143 Capitol.

Committee on Armed Services, March 10, Subcommittee on Total Force, hearing on the Fiscal Year 2005 National Defense Authorization Budget Request on the Adequacy of the Total Force, 2 p.m., 2118 Rayburn.

March 11, Subcommittee on Projection Forces, hearing on the Fiscal Year 2005 National Defense Authorization Budget Request—Navy Research and Development, Transformation and Future Navy Capabilities, 10 a.m., 2212 Rayburn.

March 11, Subcommittee on Readiness, hearing on the Fiscal Year 2005 National Defense Authorization Budget Request—Assessing the Adequacy of the Fiscal Year 2005 Budget to Meet Readiness Needs, 9 a.m., 2118 Rayburn.

March 11, Subcommittee on Terrorism, Unconventional Threats and Capabilities, hearing on the Fiscal Year 2005 National Defense Budget Request—Special Operations Command Oversight, 1 p.m., 2118 Rayburn.

Committee on Energy and Commerce, March 10, hearing entitled ''A Review of the Administration's FY 2005 Health Care Priorities,'' 2 p.m., 2123 Rayburn.

March 10, Subcommittee on Telecommunications and the Internet, hearing entitled ''Oversight of the Satellite Home Viewer Improvement Act,'' 10 a.m., 2123 Rayburn.

March 11, Subcommittee on Commerce, Trade and Consumer Protection hearing entitled ''College Recruiting: Are Student Athletes Being Protected?'' 10 a.m., 2123 Rayburn.

Committee on Financial Services, March 10, Subcommittee on Domestic and International Monetary Policy, Trade, and Technology, hearing and markup of the following measures: H.R. 1914, Jamestown 400th Anniversary Commemorative Coin Act of 2003; H.R. 2131, To award a congressional gold medal to President Jose Maria Aznar of Spain; H.R. 2768, John Marshall Commemorative Coin Act; and H.R. 3277, Marine Corps 230th Anniversary Commemorative Coin Act, 10 a.m., 2128 Rayburn.

Committee on Government Reform, March 9, Subcommittee on National Security, Emergency Threats and International Relations, hearing on Nonproliferation: Assessing

Missile Technology Export Controls, 2 p.m., 2247 Rayburn.

March 10, Subcommittee on Government Efficiency and Financial Management, oversight hearing entitled ''Making Financial Management a Priority at DHS,'' 2 p.m., 2247 Rayburn.

March 10, Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census, oversight hearing entitled ''Information Security in the Federal Government: One Year Into the Federal Information Security Management Act,'' 2 p.m., 2154 Rayburn.

March 11, Subcommittee on Criminal Justice, Drug Policy and Human Resources, hearing entitled ''Cervical Cancer and Human Papillomavirus,'' 11 a.m., 2154 Rayburn.

Committee on International Relations, March 10, hearing on Weapons of Mass Destruction, Terrorism, Human Rights and the Future of U.S.-Libyan Relations, 10:30 a.m., 2172 Rayburn.

March 10, hearing on Human Rights Practices Around the World: A Review of the State Department's 2003 Annual Report, 1:30 p.m., 2172 Rayburn.

March 11, Subcommittee on Africa, hearing on Sudan: Peace Agreement Around the Corner? 2 p.m., 2172 Rayburn.

Committee on the Judiciary, March 9, Subcommittee on Commercial and Administrative Law, oversight hearing on the Department of Justice: Executive Office for United States Attorneys, Civil Division, Environment and Natural Resources Division, Executive Office for United States Trustees, and Office of the Solicitor General, 3 p.m., 2141 Rayburn.

March 11, Subcommittee on Immigration, Border Security, and Claims, oversight hearing entitled ''Funding for Immigration in the President's 2005 Budget,'' 10 a.m., 2141 Rayburn.

Committee on Resources, March 10, Subcommittee on Forests and Forest Health, oversight hearing on the Fiscal Year 2005 President's Budget for the Forest Service, 10 a.m., 1334 Longworth.

March 11, Subcommittee on Fisheries Conservation, Wildlife and Oceans, oversight hearing on the Administration's Fiscal Year 2005 budget requests for NOAA and the U.S. Fish and Wildlife Service, 10 a.m., 1324 Longworth.

Committee on Rules, March 11, Subcommittee on Legislative and Budget Process, hearing to assess the effectiveness of the current budget process and consider new reform and enforcement proposals, 1 p.m., H–313 Capitol.

Committee on Science, March 10, hearing on Perspectives on the President's Vision for Space Exploration, 10 a.m., 2318 Rayburn.

March 11, Subcommittee on Environment, Technology, and Standards, hearing on the Fiscal Year EPA Budget, 10 a.m., 2318 Rayburn.

Committee on Small Business, March 10, hearing entitled ''Spike in Metal Prices: What Does It Mean for Small Manufacturers?'' 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, March 11, Subcommittee on Aviation, oversight hearing on the Status of the Computer-Assisted Passenger Prescreening System (CAPPS II), 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, March 11, Subcommittee on Health, hearing on the current status of Department of Veterans' post-traumatic stress disorder (PTSD) programs, 9:30 a.m., 334 Cannon.

Committee on Ways and Means, March 9, Subcommittee on Health, hearing on the Uninsured, 2 p.m., 1100 Longworth.

March 10, Subcommittee on Oversight and the Subcommittee on Social Security, joint hearing on Social Security Number and Individual Taxpayer Identification Number Mismatches and Misuse, 10 a.m., 1100 Longworth.

March 11, full Committee, hearing on President Bush's Trade Agenda, 10 a.m., 1100 Longworth.

Select Committee on Homeland Security, March 10, Subcommittee on Intelligence and Counterterrorism, hearing entitled ''The Department of Homeland Security Proposed Information Analysis Budget for Fiscal Year 2005,'' 10:30 a.m., room to be announced.

Joint Meetings

Joint Meetings: March 10, Senate Committee on Veterans' Affairs, to hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentation of the Veterans of Foreign Wars, 10 a.m., SH–216.

Joint Economic Committee: March 10, to hold hearings to examine issues relative to helping Americans save, 10 a.m., SD–628.

Next Meeting of the SENATE

12 noon, Monday, March 8

Senate Chamber

Program for Monday: Senate will consider the Concurrent Resolution on the Budget for Fiscal Year 2005, if it is available and qualified.

Next Meeting of the HOUSE OF REPRESENTATIVES

12 noon, Monday, March 8

House Chamber

Program for Monday: The House will meet in pro forma session.

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