United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

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# House of Representatives

## HONORING 40TH ANNIVERSARY OF PASSAGE OF CIVIL RIGHTS ACT OF 1964

The SPEAKER pro tempore (Mr. FOSSELLA). The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 676.

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. 676, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 1, not voting 18, as follows:

[Roll No. 304]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Becerra
Bell
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—18

Barton (TX)
Bereuter
Berman
Brown (OH)
Carson (IN)
DeMint
Deutsch
Doolittle
Gephardt
Granger
Hastings (FL)
Jones (OH)
Linder
McDermott
Meeks (NY)
Quinn
Smith (TX)
Tauzin

□ 1415

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.



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PERSONAL EXPLANATION

Mr. BERMAN. Mr. Speaker, I was unavoidably detained and unable to cast a number of rollcall votes. Had I been present, I would have voted "no" on rollcall No. 293, "yes" on rollcall No. 294, "yes" on rollcall No. 295, "yes" on rollcall No. 296, "yes" on rollcall No. 299, "yes" on rollcall No. 300, "yes" on rollcall No. 301, "no" on rollcall No. 302, "no" on rollcall No. 303, and "yes" on rollcall No. 304.

CHILD NUTRITION AND WIC REAUTHORIZATION ACT OF 2004

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2507) to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to reauthorize child nutrition programs, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

Mr. GEORGE MILLER of California. Mr. Speaker, reserving the right to object, although I do not intend to object, I ask the gentleman to offer an explanation of his request.

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

Mr. GEORGE MILLER of California. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Speaker, I appreciate the gentleman yielding to me.

Mr. Speaker, I rise in support of this measure, which represents months of hard work and commitment to bipartisan cooperation.

In that spirit we have before us a bill that will extend the life of the Federal child nutrition programs while strengthening program integrity, ensuring effective use of Federal resources, and providing continued nutritional services for millions of American children. And I am pleased to have reached a bipartisan, bicameral consensus that finally will allow the President to sign these important reforms into law.

First and foremost, I want to recognize the gentleman from Delaware (Mr. CASTLE), chairman; and the gentlewoman from California (Ms. WOOLSEY), ranking member of the Education Reform Subcommittee, who deserve a great deal of credit for their hard work and cooperation that have brought this bill before us today. I also want to thank the gentleman from California (Mr. GEORGE MILLER), the ranking member of the committee, for his continued commitment to a bipartisan, cooperative process.

The Federal child nutrition programs ensure millions of needy children have access to nutritious meals. While we all know that a healthful diet is necessary for children to achieve full physical development and long-term health and is critical for academic success as well in school, for this reason the investment in these programs is considerable. And so is our obligation to ensure our Federal resources are being used effectively and efficiently. Children and families depend on Federal child nutrition programs, and they depend on us to ensure that these programs are being administered with integrity.

The Child Nutrition and WIC Reauthorization Act extends the National School Lunch and Breakfast programs; Child and Adult Care Food Program; After-School Snack Program; the Summer Food Service Program; and the Special Supplemental Nutrition Program for Women, Infants, and Children, the WIC program. Taken together, the reforms in this bill will help ensure we are making the most of Federal resources to improve the nutritional health of children while being mindful of program quality and integrity.

The bill before us strikes an important balance between our desire to promote healthy nutritional choices and physical activity among children and the need to preserve local control for our schools. The gentleman from Delaware (Mr. CASTLE), the author of the House version of this legislation, has been a leader in our efforts to reduce the epidemic of child obesity by promoting a comprehensive approach that includes nutrition education and physical activity. In particular, the establishment of a local wellness policy, written at the local level to reflect local needs, marks significant progress that will promote nutrition education and increased physical activity in schools while maintaining local control.

To improve integrity in the Federal child nutrition programs and ensure access for eligible children, the legislation makes a number of positive reforms. The bill allows children whose parents who are in the Armed Forces and living in privatized military housing to continue to receive free or reduced-price meals at school if they meet the eligibility requirements. It also helps parents by allowing them to submit a single application for multiple children and ensures enrollment of eligible children through the use of direct certification of school lunch eligibility for those children and families receiving food stamps.

The Child Nutrition and WIC Reauthorization Act also takes steps to reduce paperwork by allowing school lunch certifications to be valid for 1 full year, preventing situations in which schools are forced to repeatedly certify children within a single school year. The bill also includes a provision originally proposed by the gentleman from Florida (Mr. KELLER) to help reduce the stigma amongst children receiving free and reduced-priced lunches by helping schools make technological improvements, such as automated meal card systems that keep students' financial status confidential to increase the efficiency of program operations.

In recognition of the success and popularity of the Fruit and Vegetable Pilot program, which currently provides fresh and dried fruits and fresh vegetables to children in 25 schools in each of four States and one Indian reservation, I am pleased that the bill before us authorizes the continuation and expansion of this valuable pilot program.

And since this measure originally passed the House, we have worked closely with Members on both sides of the aisle and in both legislative bodies to reach a consensus, which is embodied in the bill that we have before us today. And through that process, we have reached an agreement on additional reforms that will further strengthen and improve child nutrition programs. We have included a demonstration program that will allow us to evaluate the impact of eliminating the reduced-price meal category, an initiative many of us are interested in exploring, and authorize six additional States, including my home State of Ohio, to participate in the Lugar pilot program under the Summer Feeding Program.

Additionally, I am pleased to have reached a commonsense solution to address concerns about the most efficient use of taxpayer resources particularly within the WIC program. The bill includes strong cost-containment measures to ensure that WIC food costs and voucher payments are consistent with competitive retail prices for supplemental foods. And this will ensure efficient use of taxpayer dollars while protecting our ability to serve the greatest number of eligible women, infants, and children.

The Child Nutrition and WIC Reauthorization Act will prevent important nutritional programs from expiring while ensuring that they continue to operate effectively and efficiently. And I am pleased to support this measure and would encourage my colleagues to do so.

There are a number of staff members from our committee who I believe deserve special recognition and thanks. And they include Stephanie Milburn, Krisann Pearce, Cindy Herrle, Julian Baer, Denise Forte, Linda Theif. And I also want to thank Tyson Redpath on my staff and Sarah Rittling on the gentleman from Delaware's (Mr. CASTLE) staff. And Kate Houston, she wrote it. Kate Houston spent hundreds and hundreds and hundreds of hours over this last year shepherding this and working with staff on both sides of the aisle. And I think all of our colleagues realize that we could not do the job that we do as Members without having terrific staff, and on our committee we have got terrific staff on both sides of the aisle. I want to thank all of them.

I include letters for the RECORD.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
*Washington, DC, June 21, 2004.*

Hon. JOHN BOEHNER,
*Chairman, House Committee on Education and the Workforce, Rayburn House Office Building, Washington, DC.*

DEAR CHAIRMAN BOEHNER: As you are aware, the Senate Committee on Agriculture, Nutrition and Forestry reported S. 2507, the Child Nutrition and WIC Reauthorization Act of 2004, on June 7. As reported, S. 2507 contains matters within the jurisdiction of the Committee on Agriculture.

Section 104(b)(2) amends the Food Stamp Act of 1977, and section 301 amends the Commodity Distribution Reform Act and WIC Amendments of 1987. Both the Food Stamp Act and the Commodity Distribution Act are within the jurisdiction of the Committee on Agriculture. In the interest of expediting this matter, however, our committee will not seek referral of S. 2507. I do so with the understanding that by discharging the bill the Committee on Agriculture does not waive any future jurisdictional claim over this or similar measures. In addition, in the event a conference with the Senate is requested on this matter, the Committee on Agriculture reserves the right to seek appointment of conferees, if one should become necessary.

I also ask that you insert a copy of our exchange of letters in the Congressional Record during consideration of S. 2507 on the Floor.

Sincerely,

BOB GOODLATTE,
*Chairman.*

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COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES,
*Washington, DC, June 22, 2004.*

Hon. BOB GOODLATTE,
*Chairman, Committee on Agriculture, Longworth House Office Building, Washington, DC.*

DEAR CHAIRMAN GOODLATTE: This letter is to confirm our agreement regarding S. 2507, the Child Nutrition and WIC Reauthorization. I thank you for working with me, specifically regarding the amendments included in the Senate amendment specifically, Section 104(b)(2) *Agreement for Direct Certification and Cooperation* and Title III, *Commodity Distribution Programs,* which are within the jurisdiction of the Committee on Agriculture.

While these provisions are within the jurisdiction of the Committee on Agriculture, I appreciate your willingness to work with me in moving S. 2507 forward without the need for additional consideration in your Committee. I agree that this procedural route should not be construed to prejudice the jurisdictional interest and prerogatives of the Committee on Agriculture on this provision or any other similar legislation and will not be considered as precedent for consideration of matters of jurisdictional interest to your Committee in the future.

I thank you for working with me regarding this matter. I will include a copy of your letter and this response in the Congressional Record during consideration of S. 2507 on the House floor.

Sincerely,

JOHN A. BOEHNER,
*Chairman.*

COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES,
*Washington, DC, June 22, 2004.*

Hon. JOE BARTON,
*Chairman, Committee on Energy and Commerce, Rayburn House Office Building, Washington, DC.*

DEAR CHAIRMAN BARTON: This letter is to confirm our agreement regarding S. 2507, the Child Nutrition and WIC Reauthorization. I thank you for working with me, specifically regarding the amendments included in the Senate bill specifically, Section 105(b) Conforming Amendments and Title IV, Miscellaneous which are within the jurisdiction of the Committee on Energy and Commerce.

While these provisions are within the jurisdiction of the Committee on Energy and Commerce, I appreciate your willingness to work with me in moving S. 2507 forward without the need for additional consideration in your Committee. I agree that this procedural route should not be construed to prejudice the jurisdictional interest and prerogatives of the Committee on the Energy and Commerce on this provision or any other similar legislation and will not be considered as precedent for consideration of matters of jurisdictional interest to your Committee in the future.

I thank you for working with me regarding this matter. I will include a copy of this letter in the Congressional Record during consideration of S. 2507 on the House floor.

Sincerely,

JOHN A. BOEHNER,
*Chairman.*

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for his explanation.

Continuing under my reservation of objection, I yield to the gentlewoman from California (Ms. WOOLSEY), ranking member of the committee.

Ms. WOOLSEY. Mr. Speaker, I thank the ranking member for yielding to me.

Mr. Speaker, I rise in support of S. 2507, the Child Nutrition and WIC Reauthorization Act of 2004. This reauthorizes the Federal child nutrition programs, one of the most important bills I think that we consider here in the House of Representatives. This has become, through considerable effort on all sides, a bipartisan, bicameral bill. And I thank my colleagues and staff on both sides of the aisle and in both Chambers who have worked so hard and in such good faith.

A lot of positive compromises were made to get to this point. I think that every Member who was involved in the negotiations, and even some who were not, gave up something while gaining in the long run. But we were determined all through the effort that the Federal child nutrition programs would continue to provide nutritious food for low-income infants and children at home, in child care centers, in family day care homes, at school, and when school is out for the day or the year. And that is what this bill before us today does.

While I would have liked to include a full expansion of the Free Breakfast Program for all kids and tighter restrictions on the junk food that is sold in schools, the Child Nutrition and WIC Reauthorization Act does improve the Federal child nutrition programs in many ways, and I am not going to list all those ways because we have other people that would like to speak. But I want the Members to know that those of us that are here support exactly what is in this bill, and we are glad that we are able to support it. What I hope and what I expect is that one of the most significant benefits to hungry children since the first Federal school lunch, and that is the pilot program that will allow five States to examine the impact of eliminating the reduced/free category in school meals, that this will be a huge success supported around the Nation so we will prove that children who have a nutritious meal, a nutritious breakfast learn better, they have better attendance, they have better scores on their tests, and they behave better in school. So that we will have learned something very significant by the end of this reauthorization. Our children will get nutritious meals. They will get snacks. They will develop better eating habits as a result of the Child Nutrition and WIC Reauthorization, and I urge all my colleagues to support it.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for her explanation. And also I want to thank her for all of her hard work and her advocacy on behalf of children in this program and families in this program. She has very much made a difference in the outcome of this legislation by her efforts.

Mr. Speaker, continuing under my reservation of objection, I yield to the gentleman from Delaware (Mr. CASTLE) for his remarks.

Mr. CASTLE. Mr. Speaker, I thank the distinguished gentleman from California for yielding to me. I also want to thank him for all of his help and cooperation on this legislation; as well as the distinguished gentleman in Ohio (Mr. BOEHNER) for his work; and obviously my ranking member, with whom I worked closely on this; and particularly the staff, Kate Houston, and Sarah on my staff, as well as all the other staff people.

Obviously I rise in support of the legislation as well. The bill before us today does represent several months of hard work, cooperation, and dedication to strengthening nutritional services for vulnerable children. I am pleased to have the bill before us and to have an agreement that spans both sides of the aisle in addition to both sides of the Capitol.

The Child Nutrition and WIC Reauthorization Act of 2004 makes a number of positive reforms focusing on reaching three main goals: ensuring eligible children have access to services, promoting comprehensive solutions to the health and nutrition of children, and strengthening program integrity to ensure Federal resources are being effectively leveraged to serve children who qualify. The bill reauthorizes the National School Lunch and Breakfast programs, Child and Adult Care Food Program, After-School Snack Program,

Summer Food Service Program, and the Special Supplemental Nutrition Program for Women, Infants, and Children. I believe that in this bill we have gone a long way in strengthening these programs on behalf of disadvantaged children and their families.

While the bill includes a variety of important reforms, there are a few I would like to mention specifically. With little money to work with, we were able to increase access to child nutrition programs for eligible children. For example, the bill extends participation for eligible children whose parents are in the Armed Forces and living in privatized military housing so these children may continue receiving free or reduced-priced meals. This provision alone would benefit 250 children in my home State of Delaware and up to 100,000 children nationwide.

The Federal Government invests roughly $16 billion annually in child nutrition programs. Ensuring the effective use of these resources by enhancing program integrity has been a top priority during the reauthorization process. We have moved to ensure that children who deserve these services are receiving them and not being excluded by those who are not eligible. To this end, we have taken steps to reduce administrative error, improve accuracy, and enhance accountability for program administration.

Finally, I would like to highlight an issue of particular concern to me, the growing problem of childhood obesity. During visits to schools over the past several years, I have noticed a growing number of obese children. We all recognize the fact that obesity has reached epidemic proportions in our Nation. Defeating this crisis will require the work of many, including schools, parents, government, the health community, and industry.

The bill before us today also includes important steps to promote comprehensive solutions to child health and nutrition, including provisions to promote nutritional education and physical activity at the State and local level.

The Child Nutrition and WIC Reauthorization Act of 2004 is a result of cooperative bipartisan and bicameral efforts to strengthen nutritional services provided to needy children and families through the various child nutrition programs. I would like to thank my colleagues for their cooperation in bringing this bill forward, and I urge its passage.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman from Delaware for his explanation. I also want to thank him for all of his work and his participation. He is one of those individuals in this institution that makes a bipartisan agreement like this able to be brought up on unanimous consent because of his cooperation and his advocacy on behalf of our children. So I thank the gentleman from Delaware (Mr. CASTLE).

Mr. Speaker, continuing under my reservation of objection, I yield to the gentleman from New Jersey (Mr. ANDREWS), a member of the committee.

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from California for yielding to me.

I would like to thank the gentleman from Ohio (Chairman BOEHNER); the gentleman from Delaware (Chairman CASTLE); the gentleman from California (Mr. GEORGE MILLER), our ranking member; and the gentlewoman from California (Ms. WOOLSEY), ranking member of the subcommittee, for their outstanding work that will benefit my constituents and children throughout the country.

□ 1430

I thank the gentleman for his cooperation and comity, and for working with us on this.

I particularly want to thank the committee for incorporating three issues in this bill that I was involved in working on with members on both sides.

The first is a provision that will permit school districts to more easily automatically enroll children in the child nutrition programs if they are eligible for some other assistance program that has similar or the same eligibility requirements. There are a lot of children who do not get enrolled because their moms and dads do not send the forms back or because there is some kinds of bureaucratic problem. This will help many, many children, and it is greatly appreciated.

Secondly, I appreciate the committee's efforts to be sure that children who attend private for-profit pre-kindergarten programs are given full and equal opportunity to participate in this program.

Third, I salute the committee leadership for their very artful and fair compromise on the issue of soy milk, which is important medically and culturally for many children and many families. This will permit parents who wish to make the choice of soy milk to make that choice.

I also want to commend the staff on both sides of the aisle for their outstanding participation and help in this. I am proud to support this bill.

Mr. GEORGE MILLER of California. Mr. Speaker, continuing my reservation, I thank the gentleman for his remarks.

Mr. Speaker, I yield to my colleague the gentlewoman from California (Ms. LEE), and thank her for her participation in this legislation.

Ms. LEE. Mr. Speaker, first let me thank the chairman of the subcommittee, the gentleman from Delaware (Mr. CASTLE); the chairman of the full committee, the gentleman from Ohio (Mr. BOEHNER); my colleague, our ranking member, the gentleman from California (Mr. GEORGE MILLER); and the gentlewoman from California (Ms. WOOLSEY) for making sure that this is a bipartisan bill and for incorporating many of our new policies and ideas into this bill, and ensuring that one provision is included in the bill that I introduced actually back in September of 2003, the Right to Know School Nutrition Act.

Basically, today over 27 million low-income children throughout the nation have come to rely on the national school lunch program and the national breakfast program for a healthy and nutritious meal. Oftentimes this is the only source of nutrition that these kids will receive all day, so it is incredibly important that we provide healthy, nutritious meals to these students and we make sure we notify their parents about what they are eating.

But, believe it or not, when it comes to the issue of irradiated food, food that is bombarded with gamma rays or electrons, there is no requirement in law that schools must notify their parents or their children about what they are eating, or even that the irradiated food was being served in school. This provision of the bill basically notifies parents and children about irradiated food, while providing a possible alternative, if the schools can so provide for that.

So I am very delighted that both the House and the other body have seen fit to include a large part of my bill in this bill. I think it is very important for the health and safety of our children. It is very important that parents and children know that their food is irradiated and have some alternatives for their health. That is basically what it is about.

I just want to thank the chairman of the full committee, the chairman of the subcommittee, our ranking member and the gentlewoman from California (Ms. WOOLSEY), our ranking subcommittee member, for all of their assistance in this. I fully support the bill, and hope we have a bipartisan vote.

Mr. GEORGE MILLER of California. Mr. Speaker, continuing to reserve the right to object, I thank the gentlewoman for her remarks.

Mr. Speaker, I yield to the gentlewoman from Los Angeles, California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise in strong support of the Child Nutrition and WIC Reauthorization Act of 2004.

I am very pleased to commend my colleagues, the gentleman from Ohio (Chairman BOEHNER); the ranking member the gentleman from California (Mr. GEORGE MILLER); and my good friend the gentlewoman from California (Ms. WOOLSEY) on the wonderful work they have done, along with all of the other members of the committee.

I just want to give recognition to the fact that there was some controversy that developed around the WIC-only stores, but a good compromise has been worked out, and the compromise language in the bill is intended to make sure that the program serves the maximum number of eligible women, infants and children.

The language is not intended to eliminate WIC-only stores or to force the WIC-only stores to price their products less than the larger retail stores.

The WIC-only operators have agreed that they will make their prices more competitive, because that was one of the criticisms. I commend the WIC-only stores for providing special services to limited English speaking families and poor families that allows them to receive this valuable service with dignity and respect. The language in the bill also allows the WIC-only stores to use promotional items in the same way that the larger retail stores are allowed to do.

I would like to thank again all of my colleagues for working this out. The compromise language makes good sense, and this helps us to move forward in ways that serve the maximum number of women, infants and children.

Mr. GEORGE MILLER of California. Mr. Speaker, continuing my reservation of objection, I thank the gentlewoman for her comments and participation in the resolution of the issue concerning the WIC-only stores.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the ranking member for yielding.

Mr. Speaker, I want to commend the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER), as well as all of those who have actually been involved to make sure that we had a good, solid, bipartisan piece of legislation that affords the greatest opportunity for our school children to get nutritious meals and to make sure that those individuals who are in need of this kind of action on the part of our Congress do in fact receive it.

I think this is one of the greatest examples of bipartisanship, of the opportunity that people have to work cooperatively together. It has been a great process, and I think the results are going to be even greater.

So, again, I commend the chairman of the Committee on Education and the Workforce, our ranking member, and, of course the ranking member of my subcommittee, the gentlewoman from California (Ms. WOOLSEY). It has been a great process.

Mr. GEORGE MILLER of California. Mr. Speaker, continuing my reservation, I thank the gentleman for his comments.

Mr. Speaker, I again want to support this legislation. I want to thank the gentleman from Ohio (Chairman BOEHNER); the subcommittee chairman, the gentleman from Delaware (Mr. CASTLE); and the gentlewoman from California (Ms. WOOLSEY) for all of their work and cooperation. I know it continues to mystify some people in the House how the gentleman from Ohio (Mr. BOEHNER) and I can continue to work together, and that the gentleman from Delaware (Mr. CASTLE) can come to these bipartisan agreements with the gentlewoman from California (Ms. WOOLSEY) on my side.

We have serious philosophical differences on many issues, but we have been able to put them aside from time to time on behalf of the children of this Nation, and here I think we have made major improvements in this legislation to the benefit of the 27 million children who participate in this program every school day, to the 2 million children who will participate in the summer feeding and the child care programs in this country, and nearly 7.5 million poor women and children who participate in the Women, Infants and Children program, a program that has demonstrated that we get many, many, many times the return on the money we invest in the WIC program in the reduction of health care costs to the mother and the newborn child because we are able to interact with them and give them good advice about their pregnancy, about the birth of their child and about the care of their child in the early moments of life.

It was almost 30 years ago this year in this Congress when I stood here on a similar unanimous consent request to extend and make permanent the Women, Infants and Children program. It has returned billions of dollars in savings to this country, and, more importantly, it has provided for millions of newborn babies to be born healthy, to avoid the problems of low birth weight and their mothers the problems of troubled pregnancies and premature births.

For that, we are very grateful to the people who work so hard in this program to develop its nutritional benefits and its healthcare benefits.

I also want to thank my colleagues for working so hard to try to expand the efforts to eliminate and reduce paperwork and to make sure that we are coordinating these programs with other programs, such as the Medicaid agencies and food stamp offices, to make sure they know of the accessibility to these programs, to remove the barriers to migrant children and homeless and runaway youth and to expand the opportunities to military families.

It is unfortunate that in this country we have so many people in poverty or have such low wages, many of whom work the year-round, that are eligible for this program, but it is also very fortunate for those individuals and good for our country that we have this program to extend these nutritional and health benefits to them.

I wish we would have been able to make a better statement, a greater statement, and a better direction for this country on the problems of childhood obesity. These rates have doubled in children and tripled in adolescents in the last two decades. We cannot ignore the opportunity we have to work with these children on a whole range of solutions to the problems of obesity while we have them in school. One which is very important to be transmitted to them is the benefit of a good and healthy diet. This program should be compatible with those goals. I hope we have sent a message to the program that we want them to develop a healthier diet, a better diet, but we also want to send the message of exercise, of healthy living outside of school by those young people.

Finally, we have all thanked one another, but this is a rare moment in this session of Congress, in these 2 years, that stand here reporting under unanimous consent a bipartisan piece of legislation of this significance. So I do want to thank again the gentleman from Ohio (Chairman BOEHNER) for all of his cooperation in moving this legislation in a timely fashion, so we would have an opportunity to work with the Senate; to the gentleman from Delaware (Mr. CASTLE) and the gentlewoman from California (Ms. WOOLSEY) for developing the substance of this legislation, the changes in this legislation, the reforms in this legislation and the expansion of opportunity for these children and for their families.

I certainly want to thank Senator HARKIN, who I came to Congress with, for all of his hard and continuing work on child nutrition and food programs in this Nation and internationally, and Chairman COCHRAN, who I have had an opportunity to work with on so many programs affecting children in literacy and nutrition and other benefits such as that.

Finally, I want to thank the staff members of our committee. On our side of the aisle, Lynda Theil, Denise Forte and Joe Novotny; the people from CRS, Joe Richardson and Donna Porter, who provided us so much technical assistance and expertise; to Tyson Redpath on the staff of the gentleman from Ohio (Mr. BOEHNER), and Sarah Rittling on the staff of the gentleman from Delaware (Mr. CASTLE); and the Republican staff in the House, Kate Houston, Stephanie Milburn, Sally Lovejoy, Krisann Pearce and Julian Baer, for all of their work, for their consistence.

The fact of the matter is, it was the cooperation among the staffs that allowed this bill to be reported on a timely basis as we come toward the end of this session of Congress.

I would also like to thank Derek Miller of Senator HARKIN's staff and Dave Johnson of Senator COCHRAN's staff.

Mr. Speaker, I think the House and the Senate can be very proud of this legislation, and I know that those individuals, the American School Food Service Association, the Food Research and Action Center, the WIC directors, the United Fresh Fruit and Vegetable Association, the Center for Budget and Policy Priorities, and so many others that I will submit for the RECORD, were great advocates of the improvements made in this legislation and the expansion of nutritional and health opportunities for the participants.

Mr. Speaker, I include for the RECORD the list of supporters of this legislation.

American Association of School Administrators.

American Commodity Distribution Association.
American Dietetic Association.
American Federation of State, County, and Municipal Employees (AFSCME).
American School Food Service Association (ASFSA).
America's Second Harvest.
Anti Hunger Action Committee.
Association of Farmworker Opportunity Programs.
Bread for the World.
Catholic Charities USA.
Central Coast Hunger Coalition.
Chicago Jobs Council.
Children's Defense Fund.
Children's Foundation.
Coalition of Labor Union Women.
Coalition of Religious Communities (Utah).
Coalition on Human Needs.
Colorado Anti-Hunger Network.
Colorado Center on Law and Policy.
Community Food Security Coalition.
Congressional Hunger Center.
Connecticut Association for Human Services.
Crossroads Urban Center.
Denver Urban Ministries.
EBT Industry Council of the Electronic Funds Transfer Association.
Evangelical Lutheran Church in America.
Food and Allied Service Trades Department (FAST), AFL–CIO.
Food Research and Action Center (FRAC).
FOOD Share, Inc.
Greater Upstate Law Project, NY.
Green Consulting Services, Miami, FL.
Hudson Valley Poverty Law Center, NY.
Human Services Coalition of Dade County.
Hunger Action Network of New York State.
I Am Your Child Foundation.
Indiana Coalition on Housing and Homeless Issues, Inc.
Institute Justice Team, Sisters of Mercy of the Americas.
Jewish Council for Public Affairs.
Just Harvest, Pittsburgh, PA.
Lutheran Advocacy Ministry—Colorado.
Migrant Legal Action Program.
Monterey County Farm to School Partnership.
National Advocacy Center of the Sisters of the Good Shepherd.
National Association for the Education of Young Children (NAEYC).
National Association of Protection and Advocacy Systems.
National Association of State Boards of Education.
National Coalition for the Homeless.
National Council of Churches of Christ in the USA.
National Council of Jewish Women.
National Farmers Union.
National Grange.
National Head Start Association.
National Priorities Project.
National PTA.
National Student Campaign Against Hunger and Homelessness.
National WIC Association (NWA).
National Women's Law Center.
Northeast Missouri Client Council for Human Needs, Inc.
Presbyterian Church (U.S.A.) Washington Office.
Public Children Services Association of Ohio.
Public Interest Law Office of Rochester, NY.
Public Justice Center.
RESULTS.
Sargent Shriver National Center on Poverty Law.
Second Harvest Food Bank of Santa Cruz and San Benito Counties.
Share Our Strength (SOS).
The Advocacy for the Poor, Inc., Winston-Salem, NC.
The Partnership Center, Ltd.
Union for Reform Judaism.
United Food and Commercial Workers International Union (UFCW).
United Fresh Fruit & Vegetable Association.
WHEAT, Phoenix, AZ.
Women of Reform Judaism.
World Hunger Year.

Mr. KENNEDY of Minnesota. Mr. Speaker, I rise today in strong support of S. 2507, the Child Nutrition and WIC Reauthorization Act. Federal child nutrition programs were conceived to offer wholesome meals and snacks to children in need, and to support the health of lower-income pregnant women, new mothers, and their young children. Federal child nutrition programs touch the lives of countless children. The National School Lunch Program alone serves an average of 29 million children each school day. Fifty-eight percent of these children receive a nutritious lunch each school day for free or at a reduced price. Nearly eleven million children also take part in school breakfast, after-school snacks, and summer meals. These programs provide an extraordinary opportunity to send a strong, consistent message to children about maintaining a healthy, active lifestyle.

Along with nutritional provisions, this legislation works to streamline the eligibility criteria and paperwork parents and guardians need to participate. For schools, lunch certifications will now be valid for a full year. Additionally, parents will be allowed to submit a single application for multiple children, and to file school lunch applications electronically. And, eligible children whose parents live in privatized military housing will continue to receive free- or reduced-price meals.

This bill also addresses the Women, Infant and Children program commonly know as WIC. This important program helps safeguard the health of nutritionally at-risk pregnant women and new mothers, infants, and children up to age five. It provides vital nutrient-dense foods to supplement diets, along with nutrition education and referrals for health care and other social services. WIC is based on the premise that early intervention programs can prevent future medical and developmental problems in at-risk individuals. The success of WIC is well documented. Participation in WIC has led to better pregnancy outcomes—fewer infant deaths, fewer premature births, and increased birth weights. Through this legislation, WIC is authorized through 2009 and a number of enhancements are made to program access and operations.

Finally, this bill also ensures that supplemental foods available through WIC are consistent with current nutritional science, a key link in fighting youth obesity. Mr. Speaker, The Child Nutrition and WIC Reauthorization Act will help strengthen and improve all these programs which are so valuable to children and their families. I urge my colleagues to support this important legislation and yield back the balance of my time.

Mr. GRIJALVA. Mr. Speaker, I rise today in support of S. 2507, the bipartisan bill to reauthorize the Child Nutrition and WIC Programs. In this hot political climate, I am pleased to see that members crossed the aisle to compromise in the interests of hungry children. There are a number of provisions in this bill which will improve the program through increased access and innovative programs.

Migrant and seasonal farm working families, the families that put food on our tables, face unique challenges in accessing this program. The average farm worker earns just $7,500 a year—leaving most of their families well below poverty level. The hardships that the children in these families face are only amplified by their migratory lifestyle. Their parents, who are poor, uneducated, and often with limited literacy in their native language, face many barriers helping their children apply for services every time they move. S. 2507 would make homeless, runaway and migrant children automatically eligible for free lunch and breakfast. It will extend automatic eligibility to children who qualify for migrant educational services under the Elementary and Secondary Education Act.

It will be easier for parents to apply for free or reduced price meals by requiring only one application for the household and making that application valid for the full school year. Additionally, children in Food Stamp and TANF households will be directly certified to participate in the program.

Common sense and scientific knowledge tells us that eating breakfast improves school performance. Yet a number of barriers keep schools from offering this service, ranging from cost, stigma, and transportation. This bill would encourage more schools to serve breakfast by studying the logistical impediments that make it difficult, and finding ways to reduce those impediments.

Children who are hungry during the school day suffer even more during the summer when the appropriate resources are not available. S. 2507 authorizes a new pilot project to examine ways to reduce transportation barriers and increase access to summer feeding programs in rural areas.

Childhood obesity has become a national epidemic. Nearly a quarter of Hispanic children are overweight, and at high risk for Type II Diabetes. This program is in the position to significantly impact this national health crisis. In addition to requiring schools to create a wellness policy, this bill would authorize grants for outreach and education on obesity prevention activities to communities with high Limited English Proficiency populations.

This bill would expand the Fruit and Vegetable Pilot program, allowing it to target high poverty areas. Additionally, it authorizes an evaluation of the impact of fruits and vegetables on childhood obesity through pilot programs in WIC.

I stand today in support of this reauthorization bill because it offers real solutions to families and children who are most in need of our help. S. 2507 is a comprehensive piece of legislation that increases access, simplifies the application process, offers outreach, creates innovative pilot programs for targeted communities, and promotes the health and well being of all children served in the program. I encourage my colleagues to support this important bipartisan reauthorization.

Mr. HINOJOSA. Mr. Speaker, I rise in strong support of S. 2507, The Child Nutrition and WIC Reauthorization Act of 2004. I would like to commend the leadership of the Education and the Workforce Committee and the Senate Agriculture Committee for negotiating a bipartisan bill that will improve access to the child nutrition programs.

I am pleased that this compromise bill contains a number of provisions that were supported by the Congressional Hispanic Caucus and national Hispanic organizations. S. 2507 will make a difference for Hispanic children and families.

Measures to allow for the direct certification of migrant students and the direct verification of eligibility will protect our most at risk students from being dropped from the program, not for lack of eligibility but for lack of understanding or fear.

The provisions to ensure that school lunch information—throughout the entire process—is in a language and form that the parents can understand will go a long way to building understanding and trust. These are significant improvements to the program.

Additionally, the bill strengthens nutrition education. Childhood obesity and diabetes are reaching epidemic proportions in the Hispanic community and across the Nation. We must do more to help young people develop healthy lifestyles. This legislation is a step in the right direction.

S. 2507 provides important resources to expand access through innovative programs. The bill expands the Lugar summer food program, establishes a pilot program for rural areas, and allows 5 states to examine the impact of replacing the reduced priced lunches with free lunches—a goal that has strong bipartisan support.

This legislation also takes steps to safeguard the integrity of the WIC program, ensuring that WIC food packages reach the maximum number of women, infants, and children.

I urge my colleagues to vote yes on S. 2507.

Ms. DELAURO. Mr. Speaker, I rise in support of the Child Nutrition and Women, Infants, and Children reauthorization bill. These vital programs—school lunch and breakfast programs, after-school snack programs, WIC—improve the day-to-day-lives of American families. WIC touches the lives of every 5 people in the United States, including over 37 million children and nearly 2 million lower-income and postpartum women. It guarantees young women and their children receive adequate nutrition and health advice—preventing future illnesses and other health problems.

Our experience with the WIC nutrition program shows that it is a sound and wise long-term investment that pays off by improving the health and development of the women and young children who participate in the program. Each dollar invested in WIC saves more than three dollars in other government spending on programs such as Medicaid. WIC helps young mothers and their children start off on the right foot and saves money at the same time.

As a member of the House Appropriations Subcommittee on Agriculture, I work every year with my colleagues to ensure sufficient funding for the WIC program and to enact measures to streamline and improve the integrity of the program. But while I am largely pleased with the bill the other body produced, it unfortunately did not expand the school lunch program to all children who are in need.

There is no more important measure of our nation's values than how we care for and ensure the health and nutrition of our children—none.

We still have a way to go with respect to the full funding of WIC this year. But I am encouraged by this reauthorization, Mr. Speaker, and will continue to work toward fully funding the program in the coming year.

Mr. HOLT. Mr. Speaker, I rise in support of this Child Nutrition Act. This bill is a step in the right direction of important reforms in federal child nutrition programs. I would like to thank Chairmen BOEHNER, and CASTLE and Ranking Members MILLER and WOOLSEY for their hard work on the bill. I would also like to thank the Chairman for taking my amendment during the committee process eliminating the cost-accounting requirement for severe need breakfast programs.

This paperwork problem was brought to my attention by the Director of the New Jersey Child Nutrition Programs, Kathy Kuser. Many states, such as New Jersey, Wisconsin and Illinois, are making significant efforts to improve their school breakfast participation rate, and reducing the paperwork requirements would help these efforts.

Under current law, schools would qualify for severe-need breakfast assistance if at least 40 percent of the lunches served during the second preceding school year were free or reduced price. They calculate their cost per breakfast by prorating their labor costs, and figuring out their food, supplies and other costs associated with the school breakfast program. They have to save their receipts and calculations and submit them in order to get the severe-need reimbursement. Removing the cost-accounting requirement would be a significant paperwork reduction for the schools without significantly increasing cost for the government.

I also want to commend the committee for including direct certification for children from food stamp households for free school meals. Many schools are not aware of this method to determine eligibility for free meals. Direct certification improves access to free school lunches and improves program integrity, according to a study done by Mathematica.

I am also pleased to see a bill authorizing grants for ''farm-to-cafeteria'' projects, including nutrition education activities. These activities incorporate the participation of school children in farm and agricultural education projects and procure local foods from small- and medium-sized farms for school meals.

The expansion of eligibility for Child and Adult Care Food Program (CACFP) for children in shelters from age 13 to 18 who live in domestic violence shelters and homeless shelters is a wonderful improvement to the previous child nutrition legislation. My constituents who participate in Mercer Street Friends, Anchor House, Triad House, Family Preservation Center (Homefront) and the Family Preservation House would benefit from this change to CACFP eligibility. These organizations depend on food donations to feed their clients who are nutritionally at risk and should be eligible for this important nutrition support program.

Finally, I am pleased to see that the bill we are considering today has some positive improvements to the bill that first passed in March. The bill now authorizes grants to states for comprehensive nutrition education and physical activity programs.

It also authorizes grants to schools for nutrition and physical activity projects. Today's bill provides training and technical assistance to schools to develop healthy school nutrition environments and local wellness policies.

The bill also expands from 5 to 8 the number of states participating in the successful Fruit and Vegetable Pilot.

Mr. Speaker, once again I want to thank my colleagues and their staffs on the for their hard work. I ask my colleagues to support this bill, which will eliminate barriers to participation for low-income children and families and ensure greater access to these critical nutrition programs.

Mr. KIND. Mr. Speaker, I rise today in strong support of the Child Nutrition and WIC Reauthorization Act. As a member of the Education and the Workforce or Committee, I am pleased with the process in which this bill has been considered; it is a critical bill that will greatly benefit our nation's children as well as family farmers.

Ensuring that our youth receive proper nutrition is a top priority for me in Congress. I have traveled across western Wisconsin, meeting with people both in and out of the schools who are active in administering child nutrition programs, and consistently I hear how important these programs are for our youth. I have also met with parents and children who participate, and I hear how many of these families depend on federal child nutrition programs for a healthy start in life and healthy meals as their children grow. Sadly, too often, a federally subsidized meal is the only complete meal some children eat in a day. This reality underscores the importance of this bill that will improve access to such important programs while also increasing the nutritional value of federal food programs.

Specifically, I am pleased that several provisions were included in the base bill, which I coauthored in previous legislation. H.R. 3250, the Child Nutrition Improvement Act of 2003, which I sponsored with Representatives BENNIE THOMPSON, GIL GUTKNECHT, and TOM PETRI, will combat the increasing problem of child obesity through increased child milk consumption by preventing commercial beverage companies from pressuring schools to remove milk vending machines. Another provision included in the base bill from H.R. 3250 will improve child nutrition by making it easier for schools to offer milk in a variety of flavors and fat contents to better meet students' varying tastes and needs. With 90 percent of teenage girls and 70 percent of teenage boys currently not getting enough calcium, it is imperative to provide increased availability of milk products in schools.

Additionally, S. 2507 includes legislation that I sponsored with Representative UPTON, H.R. 2626, The Farm-to-Cafeteria Projects Act of 2003. This provision focuses on connecting local agriculture to schools in every state through a competitive, one-time matching grant directly to local communities. This allows each locality to design a farm-to-cafeteria project tailored to specific farm and school community needs. Experience has shown that kids' food choices can be improved by connecting farms to the lunchroom.

Mr. Speaker, again, I am proud to support this bill on the Floor today. Our goal in the 21st century should be to ensure that every child receives proper nutrition needed to succeed in school. It is a simple fact: good nutrition is an educational tool that improves children's performance in school.

Mr. SHAYS. Mr. Speaker, I rise in support of the Child Nutrition and WIC Reauthorization Act today.

I support child nutrition programs. The link between child nutrition and academic performance is a strong one, and I believe we need

to do everything we can to make sure these programs are available to the children who need them most.

Under current law, reduced-price school meals are offered only to children with family incomes between 130 percent and 185 percent of the poverty level. Many families in the reduced-price income category find it difficult to pay the fee. As a result, many children who could benefit from the program do not.

I am pleased the Child Nutrition and WIC Reauthorization Act incorporates a pilot program to evaluate the effect of legislation I introduced which provides free meals under the Richard B. Russell National School Lunch Act to all children whose family incomes are less than 185 percent of the poverty line.

Under my legislation, each year the income eligibility threshold for free meals would rise, so that by the beginning of the school year that begins July 1, 2008, all children who are currently eligible for a reduced-price meal would be eligible for a free meal.

For Connecticut's Fourth Congressional District, this means 3,943 more children would be eligible for free meals, an increase of 13 percent.

S. 2507 would authorize a demonstration program in five States or parts of States to evaluate the impact of eliminating the reduced-price meal category.

The bottom line is reducing school hunger will increase academic performance.

Children cannot learn on an empty stomach. We need to ensure all children who can't afford lunches have guaranteed access to free meals. With the bounty of food we have in America, there is no reason for a child to be hungry in school. I urge support of this legislation.

Mr. CARTER. Mr. Speaker. I rise in support of S. 2507, Child Nutrition and WIC Reauthorization Act of 2004, which includes language that I offered to stop infant formula theft.

Stolen infant formula is a major problem throughout the country, including the State of Texas.

In 2003, international crime rings stole as much as $2.5 million worth of baby formula a month in Texas, and testimony before Congress revealed that some of the proceeds may go to fund terrorism.

After being stolen, the formula was stored and sometimes repackaged with phony expiration dates, then it was sold to small convenience stores in the United States.

This legislation requires State agencies to license and maintain a list of infant formula manufacturers, wholesalers, distributors, and retailers approved to provide infant formula to vendors.

This section closes a loophole that would allow crime rings to steal infant formula and resell this formula to retailers, who often are unaware that the formula was stolen.

This list would include food manufacturers, wholesalers, distributors, and retailers licensed in the State to distribute infant formula and food manufacturers registered with the U.S. Food and Drug Administration that provide infant formula, with vendors required to purchase infant formula from the list.

The stolen formula is often resold to customers using vouchers from the federally funded Women, Infants, and Children program.

I want to thank Education and the Workforce Chairman JOHN BOEHNER and the Subcommittee on Education Reform Chairman MICHAEL CASTLE, along with this staff, Kate Howston and Stephanie Milburn for their important work on this legislation.

Thank you, Mr. Speaker. I urge that my colleagues support this important legislation.

Mr. OSBORNE. Mr. Speaker, I rise in strong support of this legislation, which will do so much to assist children across the county.

I would like to point out a few things specifically that I believe make this an excellent reauthorization. We all know that childhood obesity has grown to epidemic proportions. The Centers for Disease Control and Prevention estimates that over 15 percent of children ages 6 to 11 were overweight in 1999 and 2000, more than triple the average of 4.2 percent from 1962 to 1970.

While this bill does not dictate to a school how to set priorities on nutrition and exercise, it does require schools to set locally determined wellness policies that encourage nutrition and physical activity. Although this language does not go as far as I would personally like to see, I believe it is a strong step in the right direction and I applaud the Chairman of the Education and the Workforce Committee Mr. BOEHNER, and especially Chairman of the Subcommittee on Education Reform, Mr. CASTLE for their efforts in this area.

In addition, the bill authorizes and expands the fresh fruit and vegetable pilot program, which is currently operating in a number of schools around the country with tremendous success. The bill also strengthens partnerships between local schools and local farmers in an effort to see more locally grown produce on school lunch tables.

I think this is a fair bill, a good bill, and our Nation's children will benefit from the commonsense reforms in this legislation. I urge passage of S. 2507.

Mr. EHLERS. Mr. Speaker, I rise today in support of S. 2507. I thank Chairman BOEHNER and Mr. CASTLE for work on this legislation. I particularly thank them for their willingness to retain direct certification of migrant children and policies promoting wellness during negotiations with the Senate.

This legislation works to protect eligible children's access to the child nutrition programs by extending automatic eligibility to children who qualify for migrant educational services under Title 1, part C of the No Child Left Behind Act. It allows for direct certification of migrant children if they are identified by the district's migrant education coordinator. Such a change makes it easier for migrant children to receive school meals as soon as they enter a new school.

In addition, this legislation promotes nutritional education and physical activity. I am very pleased that this legislation promotes such education and physical activity at the state and local levels to prevent childhood obesity. I am hopeful that the local school wellness policies, which will be established by schools participating in the school nutrition programs, will promote health and prevent childhood obesity throughout schools in Michigan and throughout the Nation.

Finally, I support strengthening partnerships between local agriculture and schools. I cosponsored Representative UPTON and Representative KIND's Farm-To-Cafeteria Projects Act, and I am pleased to see these provisions included. This legislation will promote partnerships between local Michigan farms and the child nutrition programs to ensure that children receive fresh and local produce.

In closing, I urge my colleagues to vote in favor of the Child Nutrition and WIC Reauthorization Act of 2004.

Mr. KELLER. Mr. Speaker, I rise today in strong support of S. 2507, the Child Nutrition and WIC Reauthorization Act of 2004.

I support this legislation not only because it strengthens the current school lunch program, but more specifically, it will reduce the stigma among children receiving free and reduced-priced lunches by helping schools make technological improvements, such as automated "meal card" systems, that keep students' financial status confidential so that children aren't embarrassed or singled out in the lunch line in front of their peers as participants in the free or reduced lunch program.

I am pleased that yesterday the Senate passed this legislation, and followed the House in incorporating my "Pride in the Lunch Line Act" legislation to allow schools access to existing Federal funds to purchase technology that will allow low-income children to go through the lunch line without the stigma or embarrassment of being identified as recipients of the free or reduced lunch program.

I modeled my legislation after a program in one of my local school districts, Lake County, Florida, that uses technology to enable every child to go through the school lunch line without being identified as a free or reduced lunch program recipient. Regardless of family income, every child has the same debit card which either their parents deposit money into or is funded by the program.

This legislation will expand existing Federal funds to allow more schools across the Nation to implement similar technology programs as Lake County did, reduce the stigma for students, and reduce the paperwork for schools.

I encourage my colleagues to vote for the Child Nutrition and WIC Reauthorization Act of 2004. Let's help children eat their lunch with pride.

Mr. GEORGE MILLER of California. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2507

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the "Child Nutrition and WIC Reauthorization Act of 2004".

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

Sec. 1. Short title; Table of contents.

TITLE I—AMENDMENTS TO RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

Sec. 101. Nutrition promotion.
Sec. 102. Nutrition requirements.
Sec. 103. Provision of information.
Sec. 104. Direct certification.
Sec. 105. Household applications.
Sec. 106. Duration of eligibility for free or reduced price meals.
Sec. 107. Runaway, homeless, and migrant youth.
Sec. 108. Certification by local educational agencies.
Sec. 109. Exclusion of military housing allowances.
Sec. 110. Waiver of requirement for weighted averages for nutrient analysis.

Sec. 111. Food safety.
Sec. 112. Purchases of locally produced foods.
Sec. 113. Special assistance.
Sec. 114. Food and nutrition projects integrated with elementary school curricula.
Sec. 115. Procurement training.
Sec. 116. Summer food service program for children.
Sec. 117. Commodity distribution program.
Sec. 118. Notice of irradiated food products.
Sec. 119. Child and adult care food program.
Sec. 120. Fresh fruit and vegetable program.
Sec. 121. Summer food service residential camp eligibility.
Sec. 122. Access to local foods and school gardens.
Sec. 123. Year-round services for eligible entities.
Sec. 124. Free lunch and breakfast eligibility.
Sec. 125. Training, technical assistance, and food service management institute.
Sec. 126. Administrative error reduction.
Sec. 127. Compliance and accountability.
Sec. 128. Information clearinghouse.
Sec. 129. Program evaluation.

TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966

Sec. 201. Severe need assistance.
Sec. 202. State administrative expenses.
Sec. 203. Special supplemental nutrition program for women, infants, and children.
Sec. 204. Local wellness policy.
Sec. 205. Team nutrition network.
Sec. 206. Review of best practices in the breakfast program.

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

Sec. 301. Commodity distribution programs.

TITLE IV—MISCELLANEOUS

Sec. 401. Sense of Congress regarding efforts to prevent and reduce childhood obesity.

TITLE V—IMPLEMENTATION

Sec. 501. Guidance and regulations.
Sec. 502. Effective dates.

## TITLE I—AMENDMENTS TO RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

### SEC. 101. NUTRITION PROMOTION.

The Richard B. Russell National School Lunch Act is amended by inserting after section 4 (42 U.S.C. 1753) the following:

### "SEC. 5. NUTRITION PROMOTION.

''(a) IN GENERAL.—Subject to the availability of funds made available under subsection (g), the Secretary shall make payments to State agencies for each fiscal year, in accordance with this section, to promote nutrition in food service programs under this Act and the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

''(b) TOTAL AMOUNT FOR EACH FISCAL YEAR.—The total amount of funds available for a fiscal year for payments under this section shall equal not more than the product obtained by multiplying—

''(1) ½ cent; by

''(2) the number of lunches reimbursed through food service programs under this Act during the second preceding fiscal year in schools, institutions, and service institutions that participate in the food service programs.

''(c) PAYMENTS TO STATES.—

''(1) ALLOCATION.—Subject to paragraph (2), from the amount of funds available under subsection (g) for a fiscal year, the Secretary shall allocate to each State agency an amount equal to the greater of—

''(A) a uniform base amount established by the Secretary; or

''(B) an amount determined by the Secretary, based on the ratio that—

''(i) the number of lunches reimbursed through food service programs under this Act in schools, institutions, and service institutions in the State that participate in the food service programs; bears to

''(ii) the number of lunches reimbursed through the food service programs in schools, institutions, and service institutions in all States that participate in the food service programs.

''(2) REDUCTIONS.—The Secretary shall reduce allocations to State agencies qualifying for an allocation under paragraph (1)(B), in a manner determined by the Secretary, to the extent necessary to ensure that the total amount of funds allocated under paragraph (1) is not greater than the amount appropriated under subsection (g).

''(d) USE OF PAYMENTS.—

''(1) USE BY STATE AGENCIES.—A State agency may reserve, to support dissemination and use of nutrition messages and material developed by the Secretary, up to—

''(A) 5 percent of the payment received by the State for a fiscal year under subsection (c); or

''(B) in the case of a small State (as determined by the Secretary), a higher percentage (as determined by the Secretary) of the payment.

''(2) DISBURSEMENT TO SCHOOLS AND INSTITUTIONS.—Subject to paragraph (3), the State agency shall disburse any remaining amount of the payment to school food authorities and institutions participating in food service programs described in subsection (a) to disseminate and use nutrition messages and material developed by the Secretary.

''(3) SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.—In addition to any amounts reserved under paragraph (1), in the case of the summer food service program for children established under section 13, the State agency may—

''(A) retain a portion of the funds made available under subsection (c) (as determined by the Secretary); and

''(B) use the funds, in connection with the program, to disseminate and use nutrition messages and material developed by the Secretary.

''(e) DOCUMENTATION.—A State agency, school food authority, and institution receiving funds under this section shall maintain documentation of nutrition promotion activities conducted under this section.

''(f) REALLOCATION.—The Secretary may reallocate, to carry out this section, any amounts made available to carry out this section that are not obligated or expended, as determined by the Secretary.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section, to remain available until expended.''.

### SEC. 102. NUTRITION REQUIREMENTS.

Section 9(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)) is amended by striking paragraph (2) and inserting the following:

''(2) FLUID MILK.—

''(A) IN GENERAL.—Lunches served by schools participating in the school lunch program under this Act—

''(i) shall offer students fluid milk in a variety of fat contents;

''(ii) may offer students flavored and unflavored fluid milk and lactose-free fluid milk; and

''(iii) shall provide a substitute for fluid milk for students whose disability restricts their diet, on receipt of a written statement from a licensed physician that identifies the disability that restricts the student's diet and that specifies the substitute for fluid milk.

''(B) SUBSTITUTES.—

''(i) STANDARDS FOR SUBSTITUTION.—A school may substitute for the fluid milk provided under subparagraph (A), a nondairy beverage that is nutritionally equivalent to fluid milk and meets nutritional standards established by the Secretary (which shall, among other requirements to be determined by the Secretary, include fortification of calcium, protein, vitamin A, and vitamin D to levels found in cow's milk) for students who cannot consume fluid milk because of a medical or other special dietary need other than a disability described in subparagraph (A)(iii).

''(ii) NOTICE.—The substitutions may be made if the school notifies the State agency that the school is implementing a variation allowed under this subparagraph, and if the substitution is requested by written statement of a medical authority or by a student's parent or legal guardian that identifies the medical or other special dietary need that restricts the student's diet, except that the school shall not be required to provide beverages other than beverages the school has identified as acceptable substitutes.

''(iii) EXCESS EXPENSES BORNE BY SCHOOL FOOD AUTHORITY.—Expenses incurred in providing substitutions under this subparagraph that are in excess of expenses covered by reimbursements under this Act shall be paid by the school food authority.

''(C) RESTRICTIONS ON SALE OF MILK PROHIBITED.—A school that participates in the school lunch program under this Act shall not directly or indirectly restrict the sale or marketing of fluid milk products by the school (or by a person approved by the school) at any time or any place—

''(i) on the school premises; or

''(ii) at any school-sponsored event.''.

### SEC. 103. PROVISION OF INFORMATION.

Section 9(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)) is amended by adding at the end the following:

''(4) PROVISION OF INFORMATION.—

''(A) GUIDANCE.—Prior to the beginning of the school year beginning July 2004, the Secretary shall issue guidance to States and school food authorities to increase the consumption of foods and food ingredients that are recommended for increased serving consumption in the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

''(B) RULES.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall promulgate rules, based on the most recent Dietary Guidelines for Americans, that reflect specific recommendations, expressed in serving recommendations, for increased consumption of foods and food ingredients offered in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).''.

### SEC. 104. DIRECT CERTIFICATION.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (9) through (13), respectively; and

(2) in paragraph (2)—

(A) in subparagraph (B)—

(i) by striking ''(B) Applications'' and inserting the following:

''(B) APPLICATIONS AND DESCRIPTIVE MATERIAL.—

''(i) IN GENERAL.—Applications'';

(ii) in the second sentence, by striking ''Such forms and descriptive material'' and inserting the following:

''(ii) INCOME ELIGIBILITY GUIDELINES.—Forms and descriptive material distributed in accordance with clause (i)''; and

(iii) by adding at the end the following:

''(iii) CONTENTS OF DESCRIPTIVE MATERIAL.—

''(I) IN GENERAL.—Descriptive material distributed in accordance with clause (i) shall contain a notification that—

''(aa) participants in the programs listed in subclause (II) may be eligible for free or reduced price meals; and

''(bb) documentation may be requested for verification of eligibility for free or reduced price meals.

''(II) PROGRAMS.—The programs referred to in subclause (I)(aa) are—

''(aa) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

''(bb) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

''(cc) the food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and

''(dd) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).'';

(B) by striking ''(C)(i)'' and inserting ''(3)''; and

(C) by striking clause (ii) of subparagraph (C) (as it existed before the amendment made by subparagraph (B)) and all that follows through the end of subparagraph (D) and inserting the following:

''(4) DIRECT CERTIFICATION FOR CHILDREN IN FOOD STAMP HOUSEHOLDS.—

''(A) IN GENERAL.—Subject to subparagraph (D), each State agency shall enter into an agreement with the State agency conducting eligibility determinations for the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(B) PROCEDURES.—Subject to paragraph (6), the agreement shall establish procedures under which a child who is a member of a household receiving assistance under the food stamp program shall be certified as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application.

''(C) CERTIFICATION.—Subject to paragraph (6), under the agreement, the local educational agency conducting eligibility determinations for a school lunch program under this Act and a school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall certify a child who is a member of a household receiving assistance under the food stamp program as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application.

''(D) APPLICABILITY.—This paragraph applies to—

''(i) in the case of the school year beginning July 2006, a school district that had an enrollment of 25,000 students or more in the preceding school year;

''(ii) in the case of the school year beginning July 2007, a school district that had an enrollment of 10,000 students or more in the preceding school year; and

''(iii) in the case of the school year beginning July 2008 and each subsequent school year, each local educational agency.''.

(b) ADMINISTRATION.—

(1) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) (as amended by subsection (a)) is amended by inserting after paragraph (4) the following:

''(5) DISCRETIONARY CERTIFICATION.—

''(A) IN GENERAL.—Subject to paragraph (6), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of the status of the child as—

''(i) a member of a family that is receiving assistance under the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

''(ii) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2));

''(iii) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.); or

''(iv) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)).''.

''(B) CHILDREN OF HOUSEHOLDS RECEIVING FOOD STAMPS.—Subject to paragraph (6), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of the status of the child as a member of a household that is receiving food stamps under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(6) USE OR DISCLOSURE OF INFORMATION.—

''(A) IN GENERAL.—The use or disclosure of any information obtained from an application for free or reduced price meals, or from a State or local agency referred to in paragraph (3)(F), (4), or (5), shall be limited to—

''(i) a person directly connected with the administration or enforcement of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (including a regulation promulgated under either Act);

''(ii) a person directly connected with the administration or enforcement of—

''(I) a Federal education program;

''(II) a State health or education program administered by the State or local educational agency (other than a program carried out under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq.; 42 U.S.C. 1397aa et seq.)); or

''(III) a Federal, State, or local means-tested nutrition program with eligibility standards comparable to the school lunch program under this Act;

''(iii)(I) the Comptroller General of the United States for audit and examination authorized by any other provision of law; and

''(II) notwithstanding any other provision of law, a Federal, State, or local law enforcement official for the purpose of investigating an alleged violation of any program covered by this paragraph or paragraph (3)(F), (4), or (5);

''(iv) a person directly connected with the administration of the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or the State children's health insurance program under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purposes of—

''(I) identifying children eligible for benefits under, and enrolling children in, those programs, except that this subclause shall apply only to the extent that the State and the local educational agency or school food authority so elect; and

''(II) verifying the eligibility of children for programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

''(v) a third party contractor described in paragraph (3)(G)(iv).

''(B) LIMITATION ON INFORMATION PROVIDED.—Information provided under clause (ii) or (v) of subparagraph (A) shall be limited to the income eligibility status of the child for whom application for free or reduced price meal benefits is made or for whom eligibility information is provided under paragraph (3)(F), (4), or (5), unless the consent of the parent or guardian of the child for whom application for benefits was made is obtained.

''(C) CRIMINAL PENALTY.—A person described in subparagraph (A) who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (including a regulation), any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

''(D) REQUIREMENTS FOR WAIVER OF CONFIDENTIALITY.—A State that elects to exercise the option described in subparagraph (A)(iv)(I) shall ensure that any local educational agency or school food authority acting in accordance with that option—

''(i) has a written agreement with 1 or more State or local agencies administering health programs for children under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.) that requires the health agencies to use the information obtained under subparagraph (A) to seek to enroll children in those health programs; and

''(ii)(I) notifies each household, the information of which shall be disclosed under subparagraph (A), that the information disclosed will be used only to enroll children in health programs referred to in subparagraph (A)(iv); and

''(II) provides each parent or guardian of a child in the household with an opportunity to elect not to have the information disclosed.

''(E) USE OF DISCLOSED INFORMATION.—A person to which information is disclosed under subparagraph (A)(iv)(I) shall use or disclose the information only as necessary for the purpose of enrolling children in health programs referred to in subparagraph (A)(iv).

''(7) FREE AND REDUCED PRICE POLICY STATEMENT.—

''(A) IN GENERAL.—After the initial submission, a local educational agency shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the local educational agency.

''(B) ROUTINE CHANGE.—A routine change in the policy of a local educational agency (such as an annual adjustment of the income eligibility guidelines for free and reduced price meals) shall not be sufficient cause for requiring the local educational agency to submit a policy statement.

''(8) COMMUNICATIONS.—

''(A) IN GENERAL.—Any communication with a household under this subsection or subsection (d) shall be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and legal guardians can understand.

''(B) ELECTRONIC AVAILABILITY.—In addition to the distribution of applications and descriptive material in paper form as provided for in this paragraph, the applications and material may be made available electronically via the Internet.''.

(2) AGREEMENT FOR DIRECT CERTIFICATION AND COOPERATION.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(u) AGREEMENT FOR DIRECT CERTIFICATION AND COOPERATION.—

''(1) IN GENERAL.—Each State agency shall enter into an agreement with the State agency administering the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

''(2) CONTENTS.—The agreement shall establish procedures that ensure that—

''(A) any child receiving benefits under this Act shall be certified as eligible for free lunches under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application; and

''(B) each State agency shall cooperate in carrying out paragraphs (3)(F) and (4) of section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)).''.

(c) FUNDING.—

(1) IN GENERAL.—On October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to assist States in carrying out the amendments contained in this section and the provisions of section 9(b)(3) of the Richard B. Russell National School Lunch Act (as amended by section 105(a)) $9,000,000, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to assist States in carrying out the amendments made by this section and the provisions of section 9(b)(3) of the Richard B. Russell National School Lunch Act (as amended by section 105(a)) the funds transferred under paragraph (1), without further appropriation.

(d) CONFORMING AMENDMENTS.—

(1) Effective July 1, 2008, paragraph (5) of section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) (as added by subsection (b)(1)) is amended—

(A) by striking subparagraph (B);

(B) by striking ''CERTIFICATION.—'' and all that follows through ''IN GENERAL.—'' and inserting ''CERTIFICATION.—''; and

(C) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively, and indenting appropriately.

(2) Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) (as amended by subsection (a)(1)) is amended—

(A) in subsection (b)(12)(B), by striking ''paragraph (2)(C)'' and inserting ''this subsection''; and

(B) in the second sentence of subsection (d)(1), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(3)(G)''.

(3) Section 11(e) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(e)) is amended in the first sentence by striking ''section 9(b)(3)'' and inserting ''section 9(b)(9)''.

**SEC. 105. HOUSEHOLD APPLICATIONS.**

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) (as amended by section 104(a)(2)(B)) is amended by striking paragraph (3) and inserting the following:

''(3) HOUSEHOLD APPLICATIONS.—

''(A) DEFINITION OF HOUSEHOLD APPLICATION.—In this paragraph, the term 'household application' means an application for a child of a household to receive free or reduced price school lunches under this Act, or free or reduced price school breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), for which an eligibility determination is made other than under paragraph (4) or (5).

''(B) ELIGIBILITY DETERMINATION.—

''(i) IN GENERAL.—An eligibility determination shall be made on the basis of a complete household application executed by an adult member of the household or in accordance with guidance issued by the Secretary.

''(ii) ELECTRONIC SIGNATURES AND APPLICATIONS.—A household application may be executed using an electronic signature if—

''(I) the application is submitted electronically; and

''(II) the electronic application filing system meets confidentiality standards established by the Secretary.

''(C) CHILDREN IN HOUSEHOLD.—

''(i) IN GENERAL.—The household application shall identify the names of each child in the household for whom meal benefits are requested.

''(ii) SEPARATE APPLICATIONS.—A State educational agency or local educational agency may not request a separate application for each child in the household that attends schools under the same local educational agency.

''(D) VERIFICATION OF SAMPLE.—

''(i) DEFINITIONS.—In this subparagraph:

''(I) ERROR PRONE APPLICATION.—The term 'error prone application' means an approved household application that—

''(aa) indicates monthly income that is within $100, or an annual income that is within $1,200, of the income eligibility limitation for free or reduced price meals; or

''(bb) in lieu of the criteria established under item (aa), meets criteria established by the Secretary.

''(II) NON-RESPONSE RATE.—The term 'non-response rate' means (in accordance with guidelines established by the Secretary) the percentage of approved household applications for which verification information has not been obtained by a local educational agency after attempted verification under subparagraphs (F) and (G).

''(ii) VERIFICATION OF SAMPLE.—Each school year, a local educational agency shall verify eligibility of the children in a sample of household applications approved for the school year by the local educational agency, as determined by the Secretary in accordance with this subsection.

''(iii) SAMPLE SIZE.—Except as otherwise provided in this paragraph, the sample for a local educational agency for a school year shall equal the lesser of—

''(I) 3 percent of all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; or

''(II) 3,000 error prone applications approved by the local educational agency for the school year, as of October 1 of the school year.

''(iv) ALTERNATIVE SAMPLE SIZE.—

''(I) IN GENERAL.—If the conditions described in subclause (IV) are met, the verification sample size for a local educational agency shall be the sample size described in subclause (II) or (III), as determined by the local educational agency.

''(II) 3,000/3 PERCENT OPTION.—The sample size described in this subclause shall be the lesser of 3,000, or 3 percent of, applications selected at random from applications approved by the local educational agency for the school year, as of October 1 of the school year.

''(III) 1,000/1 PERCENT PLUS OPTION.—

''(aa) IN GENERAL.—The sample size described in this subclause shall be the sum of—

''(AA) the lesser of 1,000, or 1 percent of, all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; and

''(BB) the lesser of 500, or ½ of 1 percent of, applications approved by the local educational agency for the school year, as of October 1 of the school year, that provide a case number (in lieu of income information) showing participation in a program described in item (bb) selected from those approved applications that provide a case number (in lieu of income information) verifying the participation.

''(bb) PROGRAMS.—The programs described in this item are—

''(AA) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

''(BB) the food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and

''(CC) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995.

''(IV) CONDITIONS.—The conditions referred to in subclause (I) shall be met for a local educational agency for a school year if—

''(aa) the nonresponse rate for the local educational agency for the preceding school year is less than 20 percent; or

''(bb) the local educational agency has more than 20,000 children approved by application by the local educational agency as eligible for free or reduced price meals for the school year, as of October 1 of the school year, and—

''(AA) the nonresponse rate for the preceding school year is at least 10 percent below the nonresponse rate for the second preceding school year; or

''(BB) in the case of the school year beginning July 2005, the local educational agency attempts to verify all approved household applications selected for verification through use of public agency records from at least 2 of the programs or sources of information described in subparagraph (F)(i).

''(v) ADDITIONAL SELECTED APPLICATIONS.—A sample for a local educational agency for a school year under clauses (iii) and (iv)(III)(AA) shall include the number of additional randomly selected approved household applications that are required to comply with the sample size requirements in those clauses.

''(E) PRELIMINARY REVIEW.—

''(i) REVIEW FOR ACCURACY.—

''(I) IN GENERAL.—Prior to conducting any other verification activity for approved household applications selected for verification, the local educational agency shall ensure that the initial eligibility determination for each approved household application is reviewed for accuracy by an individual other than the individual making the initial eligibility determination, unless otherwise determined by the Secretary.

''(II) WAIVER.—The requirements of subclause (I) shall be waived for a local educational agency if the local educational agency is using a technology-based solution that demonstrates a high level of accuracy, to the satisfaction of the Secretary, in processing an initial eligibility determination in accordance with the income eligibility guidelines of the school lunch program.

''(ii) CORRECT ELIGIBILITY DETERMINATION.—If the review indicates that the initial eligibility determination is correct, the local educational agency shall verify the approved household application.

''(iii) INCORRECT ELIGIBILITY DETERMINATION.—If the review indicates that the initial eligibility determination is incorrect, the local educational agency shall (as determined by the Secretary)—

''(I) correct the eligibility status of the household;

''(II) notify the household of the change;

''(III) in any case in which the review indicates that the household is not eligible for free or reduced-price meals, notify the household of the reason for the ineligibility and that the household may reapply with income documentation for free or reduced-price meals; and

''(IV) in any case in which the review indicates that the household is eligible for free or reduced-price meals, verify the approved household application.

''(F) DIRECT VERIFICATION.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), to verify eligibility for free or reduced price meals for approved household applications selected for verification, the local educational agency may (in accordance with criteria established by the Secretary) first obtain and use income and program participation information from a public agency administering—

''(I) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

''(II) the food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

''(III) the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(IV) the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

''(V) a similar income-tested program or other source of information, as determined by the Secretary.

''(ii) FREE MEALS.—Public agency records that may be obtained and used under clause (i) to verify eligibility for free meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for free meals) that is relied on to administer—

''(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

''(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in—

''(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 133 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

''(bb) a State that otherwise identifies households that have income that is not more than 133 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).

''(iii) REDUCED PRICE MEALS.—Public agency records that may be obtained and used under clause (i) to verify eligibility for reduced price meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for reduced price meals) that is relied on to administer—

''(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

''(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in—

''(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

''(bb) a State that otherwise identifies households that have income that is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).

''(iv) EVALUATION.—Not later than 3 years after the date of enactment of this subparagraph, the Secretary shall complete an evaluation of—

''(I) the effectiveness of direct verification carried out under this subparagraph in decreasing the portion of the verification sample that must be verified under subparagraph (G) while ensuring that adequate verification information is obtained; and

''(II) the feasibility of direct verification by State agencies and local educational agencies.

''(v) EXPANDED USE OF DIRECT VERIFICATION.—If the Secretary determines that direct verification significantly decreases the portion of the verification sample that must be verified under subparagraph (G), while ensuring that adequate verification information is obtained, and can be conducted by most State agencies and local educational agencies, the Secretary may require a State agency or local educational agency to implement direct verification through 1 or more of the programs described in clause (i), as determined by the Secretary, unless the State agency or local educational agency demonstrates (under criteria established by the Secretary) that the State agency or local educational agency lacks the capacity to conduct, or is unable to implement, direct verification.

''(G) HOUSEHOLD VERIFICATION.—

''(i) IN GENERAL.—If an approved household application is not verified through the use of public agency records, a local educational agency shall provide to the household written notice that—

''(I) the approved household application has been selected for verification; and

''(II) the household is required to submit verification information to confirm eligibility for free or reduced price meals.

''(ii) PHONE NUMBER.—The written notice in clause (i) shall include a toll-free phone number that parents and legal guardians in households selected for verification can call for assistance with the verification process.

''(iii) FOLLOWUP ACTIVITIES.—If a household does not respond to a verification request, a local educational agency shall make at least 1 attempt to obtain the necessary verification from the household in accordance with guidelines and regulations promulgated by the Secretary.

''(iv) CONTRACT AUTHORITY FOR SCHOOL FOOD AUTHORITIES.—A local educational agency may contract (under standards established by the Secretary) with a third party to assist the local educational agency in carrying out clause (iii).

''(H) VERIFICATION DEADLINE.—

''(i) GENERAL DEADLINE.—

''(I) IN GENERAL.—Subject to subclause (II), not later than November 15 of each school year, a local educational agency shall complete the verification activities required for the school year (including followup activities).

''(II) EXTENSION.—Under criteria established by the Secretary, a State may extend the deadline established under subclause (I) for a school year for a local educational agency to December 15 of the school year.

''(ii) ELIGIBILITY CHANGES.—Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made for household applications in accordance with criteria established by the Secretary.

''(I) LOCAL CONDITIONS.—In the case of a natural disaster, civil disorder, strike, or other local condition (as determined by the Secretary), the Secretary may substitute alternatives for—

''(i) the sample size and sample selection criteria established under subparagraph (D); and

''(ii) the verification deadline established under subparagraph (H).

''(J) INDIVIDUAL REVIEW.—In accordance with criteria established by the Secretary, the local educational agency may, on individual review—

''(i) decline to verify no more than 5 percent of approved household applications selected under subparagraph (D); and

''(ii) replace the approved household applications with other approved household applications to be verified.

''(K) FEASIBILITY STUDY.—

''(i) IN GENERAL.—The Secretary shall conduct a study of the feasibility of using computer technology (including data mining) to reduce—

''(I) overcertification errors in the school lunch program under this Act;

''(II) waste, fraud, and abuse in connection with this paragraph; and

''(III) errors, waste, fraud, and abuse in other nutrition programs, as determined to be appropriate by the Secretary.

''(ii) REPORT.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing—

''(I) the results of the feasibility study conducted under this subsection;

''(II) how a computer system using technology described in clause (i) could be implemented;

''(III) a plan for implementation; and

''(IV) proposed legislation, if necessary, to implement the system.''.

(b) CONFORMING AMENDMENTS.—Section 1902(a)(7) of the Social Security Act (42 U.S.C. 1396a(a)(7)) is amended—

(1) by striking ''connected with the'' and inserting ''connected with—

''(A) the'';

(2) by adding ''and'' after the semicolon; and

(3) by adding at the end the following:

''(B) at State option, the exchange of information necessary to verify the certification of eligibility of children for free or reduced price breakfasts under the Child Nutrition Act of 1966 and free or reduced price lunches under the Richard B. Russell National School Lunch Act, in accordance with section 9(b) of that Act, using data standards and formats established by the State agency;''.

(c) EVALUATION FUNDING.—

(1) IN GENERAL.—On October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to conduct the evaluation required by section 9(b)(3)(F)(iv) of the Richard B. Russell National School Lunch Act (as amended by subsection (a)) $2,000,000, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

**SEC. 106. DURATION OF ELIGIBILITY FOR FREE OR REDUCED PRICE MEALS.**

Paragraph (9) of section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C.1758(b)) (as redesignated by section 104(a)(1)) is amended—

(1) by striking ''(9) Any'' and inserting the following:

''(9) ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.—

''(A) FREE LUNCHES.—Any'';

(2) by striking ''Any'' in the second sentence and inserting the following:

''(B) REDUCED PRICE LUNCHES.—

''(i) IN GENERAL.—Any'';

(3) by striking ''The'' in the last sentence and inserting the following:

''(ii) MAXIMUM PRICE.—The''; and

(4) by adding at the end the following:

''(C) DURATION.—Except as otherwise specified in paragraph (3)(E), (3)(H)(ii), and section 11(a), eligibility for free or reduced price meals for any school year shall remain in effect—

''(i) beginning on the date of eligibility approval for the current school year; and

''(ii) ending on a date during the subsequent school year determined by the Secretary.''.

**SEC. 107. RUNAWAY, HOMELESS, AND MIGRANT YOUTH.**

(a) CATEGORICAL ELIGIBILITY FOR FREE LUNCHES AND BREAKFASTS.—Section 9(b)(12)(A) of the Richard B. Russell National School Lunch Act (as redesignated by section 104(a)(1) of this Act) is amended—

(1) in clause (ii), by striking ''or'' at the end;

(2) in clause (iii), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(iv) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2));

''(v) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.); or

''(vi) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)).''.

(b) DOCUMENTATION.—Section 9(d)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(d)(2)) is amended—

(1) in subparagraph (B), by striking ''or'';

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by inserting after subparagraph (C) the following:

''(D) documentation has been provided to the appropriate local educational agency showing that the child meets the criteria specified in clauses (iv) or (v) of subsection (b)(12)(A); or

''(E) documentation has been provided to the appropriate local educational agency showing the status of the child as a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)).''.

**SEC. 108. CERTIFICATION BY LOCAL EDUCATIONAL AGENCIES.**

(a) CERTIFICATION BY LOCAL EDUCATIONAL AGENCY.—Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in the second sentence of subsection (b)(11) (as redesignated by section 104(a)(1)), by striking ''Local school authorities'' and inserting ''Local educational agencies''; and

(2) in subsection (d)(2)—

(A) by striking ''local school food authority'' each place it appears and inserting ''local educational agency''; and

(B) in subparagraph (A), by striking ''such authority'' and inserting ''the local educational agency''.

(b) DEFINITION OF LOCAL EDUCATIONAL AGENCY.—Section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d)) is amended—

(1) by redesignating paragraph (8) as paragraph (3) and moving the paragraph to appear after paragraph (2);

(2) by redesignating paragraphs (3) through (7) (as those paragraphs existed before the amendment made by paragraph (1)) as paragraphs (5) through (9), respectively; and

(3) by inserting after paragraph (3) (as redesignated by paragraph (1)) the following:

''(4) LOCAL EDUCATIONAL AGENCY.—

''(A) IN GENERAL.—The term 'local educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(B) INCLUSION.—The term 'local educational agency' includes, in the case of a private nonprofit school, an appropriate entity determined by the Secretary.''.

(c) SCHOOL BREAKFAST PROGRAM.—Section 4(b)(1)(E)) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(E)) is amended by striking ''school food authority'' each place it appears and inserting ''local educational agency''.

**SEC. 109. EXCLUSION OF MILITARY HOUSING ALLOWANCES.**

Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) (as amended by section 104(a)(1)) is amended in paragraph (13) by striking ''For each of fiscal years 2002 and 2003 and through June 30, 2004, the'' and inserting ''The''.

**SEC. 110. WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.**

Section 9(f)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(5)) is amended by striking ''September 30, 2003'' and inserting ''September 30, 2009''.

**SEC. 111. FOOD SAFETY.**

Section 9(h) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(h)) is amended—

(1) in the subsection heading, by striking ''INSPECTIONS'';

(2) in paragraph (1)—

(A) by striking ''Except as provided in paragraph (2), a'' and inserting ''A'';

(B) by striking ''shall, at least once'' and inserting: ''shall—

''(A) at least twice'';

(C) by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

''(B) post in a publicly visible location a report on the most recent inspection conducted under subparagraph (A); and

''(C) on request, provide a copy of the report to a member of the public.''; and

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

''(2) STATE AND LOCAL GOVERNMENT INSPECTIONS.—Nothing in paragraph (1) prevents any State or local government from adopting or enforcing any requirement for more frequent food safety inspections of schools.

''(3) AUDITS AND REPORTS BY STATES.—For each of fiscal years 2006 through 2009, each State shall annually—

''(A) audit food safety inspections of schools conducted under paragraphs (1) and (2); and

''(B) submit to the Secretary a report of the results of the audit.

''(4) AUDIT BY THE SECRETARY.—For each of fiscal years 2006 through 2009, the Secretary shall annually audit State reports of food safety inspections of schools submitted under paragraph (3).

''(5) SCHOOL FOOD SAFETY PROGRAM.—Each school food authority shall implement a school food safety program, in the preparation and service of each meal served to children, that complies with any hazard analysis and critical control point system established by the Secretary.''.

**SEC. 112. PURCHASES OF LOCALLY PRODUCED FOODS.**

Section 9(j)(2)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)(2)(A)) is amended by striking ''2007'' and inserting ''2009''.

**SEC. 113. SPECIAL ASSISTANCE.**

Section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended by inserting ''or school district'' after ''school'' each place it appears in subparagraphs (C) through (E) (other than as part of ''school year'', ''school years'', ''school lunch'', ''school breakfast'', and ''4-school-year period'').

**SEC. 114. FOOD AND NUTRITION PROJECTS INTEGRATED WITH ELEMENTARY SCHOOL CURRICULA.**

Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is amended by striking subsection (m).

**SEC. 115. PROCUREMENT TRAINING.**

Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) (as amended by section 114) is amended by inserting after subsection (l) the following:

''(m) PROCUREMENT TRAINING.—

''(1) IN GENERAL.—Subject to the availability of funds made available under paragraph (4), the Secretary shall provide technical assistance and training to States, State agencies, schools, and school food authorities in the procurement of goods and services for programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (other than section 17 of that Act (42 U.S.C. 1786)).

''(2) BUY AMERICAN TRAINING.—Activities carried out under paragraph (1) shall include technical assistance and training to ensure compliance with subsection (n).

''(3) PROCURING SAFE FOODS.—Activities carried out under paragraph (1) shall include technical assistance and training on procuring safe foods, including the use of model specifications for procuring safe foods.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $1,000,000 for each of fiscal years 2005 through 2009, to remain available until expended.''.

**SEC. 116. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.**

(a) SEAMLESS SUMMER OPTION.—Section 13(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(a)) is amended by adding at the end the following:

''(8) SEAMLESS SUMMER OPTION.—Except as otherwise determined by the Secretary, a service institution that is a public or private nonprofit school food authority may provide summer or school vacation food service in accordance with applicable provisions of law governing the school lunch program established under this Act or the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).''.

(b) SEAMLESS SUMMER REIMBURSEMENTS.—Section 13(b)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(b)(1)) is amended by adding at the end the following:

''(D) SEAMLESS SUMMER REIMBURSEMENTS.—A service institution described in subsection (a)(8) shall be reimbursed for meals and meal supplements in accordance with the applicable provisions under this Act (other than subparagraphs (A), (B), and (C) of this paragraph and paragraph (4)) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), as determined by the Secretary.''.

(c) SUMMER FOOD SERVICE ELIGIBILITY CRITERIA.—Section 13(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(a)) (as amended by subsection (a)) is amended by adding at the end the following—

''(9) EXEMPTION.—

''(A) IN GENERAL.—For each of calendar years 2005 and 2006 in rural areas of the State of Pennsylvania (as determined by the Secretary), the threshold for determining 'areas in which poor economic conditions exist' under paragraph (1)(C) shall be 40 percent.

''(B) EVALUATION.—

''(i) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service, shall evaluate the impact of the eligibility criteria described in subparagraph (A) as compared to the eligibility criteria described in paragraph (1)(C).

''(ii) IMPACT.—The evaluation shall assess the impact of the threshold in subparagraph (A) on—

''(I) the number of sponsors offering meals through the summer food service program;

''(II) the number of sites offering meals through the summer food service program;

''(III) the geographic location of the sites;

''(IV) services provided to eligible children; and

''(V) other factors determined by the Secretary.

''(iii) REPORT.—Not later than January 1, 2008, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation under this subparagraph.

''(iv) FUNDING.—

''(I) IN GENERAL.—On January 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subparagraph $400,000, to remain available until expended.

''(II) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subparagraph the funds transferred under subclause (I), without further appropriation.''.

(d) SUMMER FOOD SERVICE RURAL TRANSPORTATION.—Section 13(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(a)) (as amended by subsection (c)) is amended by adding at the end the following:

''(10) SUMMER FOOD SERVICE RURAL TRANSPORTATION.—

''(A) IN GENERAL.—The Secretary shall provide grants, through not more than 5 eligible State agencies selected by the Secretary, to not more than 60 eligible service institutions selected by the Secretary to increase participation at congregate feeding sites in the summer food service program for children authorized by this section through innovative approaches to limited transportation in rural areas.

''(B) ELIGIBILITY.—To be eligible to receive a grant under this paragraph—

''(i) a State agency shall submit an application to the Secretary, in such manner as the Secretary shall establish, and meet criteria established by the Secretary; and

''(ii) a service institution shall agree to the terms and conditions of the grant, as established by the Secretary.

''(C) DURATION.—A service institution that receives a grant under this paragraph may use the grant funds during the 3-fiscal year period beginning in fiscal year 2005.

''(D) REPORTS.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

''(i) not later than January 1, 2007, an interim report that describes—

''(I) the use of funds made available under this paragraph; and

''(II) any progress made by using funds from each grant provided under this paragraph; and

''(ii) not later than January 1, 2008, a final report that describes—

''(I) the use of funds made available under this paragraph;

''(II) any progress made by using funds from each grant provided under this paragraph;

''(III) the impact of this paragraph on participation in the summer food service program for children authorized by this section; and

''(IV) any recommendations by the Secretary concerning the activities of the service institutions receiving grants under this paragraph.

''(E) FUNDING.—

''(i) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this paragraph—

''(I) on October 1, 2005, $2,000,000; and

''(II) on October 1, 2006, and October 1, 2007, $1,000,000.

''(ii) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this paragraph the funds transferred under clause (i), without further appropriation.

''(iii) AVAILABILITY OF FUNDS.—Funds transferred under clause (i) shall remain available until expended.

''(iv) REALLOCATION.—The Secretary may reallocate any amounts made available to carry out this paragraph that are not obligated or expended, as determined by the Secretary.''.

(e) REAUTHORIZATION.—Section 13(q) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking ''June 30, 2004'' and inserting ''September 30, 2009''.

(f) SIMPLIFIED SUMMER FOOD PROGRAMS.—

(1) DEFINITION OF ELIGIBLE STATE.—Section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) is amended by striking paragraph (1) and inserting the following:

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means—

''(A) a State participating in the program under this subsection as of May 1, 2004; and

''(B) a State in which (based on data available in April 2004)—

''(i) the percentage obtained by dividing—

''(I) the sum of—

''(aa) the average daily number of children attending the summer food service program in the State in July 2003; and

''(bb) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in July 2003; by

''(II) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in March 2003; is less than

''(ii) 66.67 percent of the percentage obtained by dividing—

''(I) the sum of—

''(aa) the average daily number of children attending the summer food service program in all States in July 2003; and

''(bb) the average daily number of children receiving free or reduced price meals under the school lunch program in all States in July 2003; by

''(II) the average daily number of children receiving free or reduced price meals under the school lunch program in all States in March 2003.''.

(2) DURATION.—Section 18(f)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)(2)) is amended by striking ''During the period beginning October 1, 2000, and ending June 30, 2004, the'' and inserting ''The''.

(3) PRIVATE NONPROFIT ORGANIZATIONS.—Section 18(f)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)(3)) is amended in subparagraphs (A) and (B) by striking ''(other than a service institution described in section 13(a)(7))'' both places it appears.

(4) REPORT.—Section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) is amended by striking paragraph (6) and inserting the following:

''(6) REPORT.—Not later than April 30, 2007, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes—

''(A) the evaluations completed by the Secretary under paragraph (5); and

''(B) any recommendations of the Secretary concerning the programs.''.

(5) CONFORMING AMENDMENTS.—Section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) is amended—

(A) by striking the subsection heading and inserting the following:

''(f) SIMPLIFIED SUMMER FOOD PROGRAMS.—'';

(B) in paragraph (2)—

(i) by striking the paragraph heading and inserting the following:

''(2) PROGRAMS.—''; and

(ii) by striking ''pilot project'' and inserting ''program'';

(C) in subparagraph (A) and (B) of paragraph (3), by striking ''pilot project'' both places it appears and inserting ''program''; and

(D) in paragraph (5)—

(i) in the paragraph heading by striking ''PILOT PROJECTS'' and inserting ''PROGRAMS''; and

(ii) by striking ''pilot project'' each place it appears and inserting ''program''.

**SEC. 117. COMMODITY DISTRIBUTION PROGRAM.**

Section 14(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking '', during the period beginning July 1, 1974, and ending June 30, 2004,''.

**SEC. 118. NOTICE OF IRRADIATED FOOD PRODUCTS.**

Section 14 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a) is amended by adding at the end the following:

''(h) NOTICE OF IRRADIATED FOOD PRODUCTS.—

''(1) IN GENERAL.—The Secretary shall develop a policy and establish procedures for the purchase and distribution of irradiated food products in school meals programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

''(2) MINIMUM REQUIREMENTS.—The policy and procedures shall ensure, at a minimum, that—

''(A) irradiated food products are made available only at the request of States and school food authorities;

''(B) reimbursements to schools for irradiated food products are equal to reimbursements to schools for food products that are not irradiated;

''(C) States and school food authorities are provided factual information on the science and evidence regarding irradiation technology, including—

''(i) notice that irradiation is not a substitute for safe food handling techniques; and

''(ii) any other similar information determined by the Secretary to be necessary to promote food safety in school meals programs;

''(D) States and school food authorities are provided model procedures for providing to school food authorities, parents, and students—

''(i) factual information on the science and evidence regarding irradiation technology; and

''(ii) any other similar information determined by the Secretary to be necessary to promote food safety in school meals;

''(E) irradiated food products distributed to the Federal school meals program under this

Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) are labeled with a symbol or other printed notice that—

''(i) indicates that the product was irradiated; and

''(ii) is prominently displayed in a clear and understandable format on the container;

''(F) irradiated food products are not commingled in containers with food products that are not irradiated; and

''(G) schools that offer irradiated food products are encouraged to offer alternatives to irradiated food products as part of the meal plan used by the schools.''.

**SEC. 119. CHILD AND ADULT CARE FOOD PROGRAM.**

(a) DEFINITION OF INSTITUTION.—

(1) IN GENERAL.—Section 17(a)(2)(B)(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(a)(2)(B)(i)) is amended by striking ''during'' and all that follows through ''2004,''.

(2) CONFORMING AMENDMENT.—Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) is amended by striking subsection (p).

(b) DURATION OF DETERMINATION AS TIER I FAMILY OR GROUP DAY CARE HOME.—Section 17(f)(3)(E)(iii) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(f)(3)(E)(iii)) is amended by striking ''3 years'' and inserting ''5 years''.

(c) AUDITS.—Section 17(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(i)) is amended by striking ''(i) The'' and inserting the following:

''(i) AUDITS.—

''(1) DISREGARDS.—

''(A) IN GENERAL.—Subject to subparagraph (B), in conducting management evaluations, reviews, or audits under this section, the Secretary or a State agency may disregard any overpayment to an institution for a fiscal year if the total overpayment to the institution for the fiscal year does not exceed an amount that is consistent with the disregards allowed in other programs under this Act and recognizes the cost of collecting small claims, as determined by the Secretary.

''(B) CRIMINAL OR FRAUD VIOLATIONS.—In carrying out this paragraph, the Secretary and a State agency shall not disregard any overpayment for which there is evidence of a violation of a criminal law or civil fraud law.

''(2) FUNDING.—The''.

(d) DURATION OF AGREEMENTS.—Section 17(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(j)) is amended—

(1) by striking ''(j) The'' and inserting the following:

''(j) AGREEMENTS.—

''(1) IN GENERAL.—The''; and

(2) by adding at the end the following:

''(2) DURATION.—An agreement under paragraph (1) shall remain in effect until terminated by either party to the agreement.''.

(e) RURAL AREA ELIGIBILITY DETERMINATION FOR DAY CARE HOMES.—Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) (as amended by subsection (a)(2)) is amended by inserting after subsection (o) the following:

''(p) RURAL AREA ELIGIBILITY DETERMINATION FOR DAY CARE HOMES.—

''(1) DEFINITION OF SELECTED TIER I FAMILY OR GROUP DAY CARE HOME.—In this subsection, the term 'selected tier I family or group day care home' means a family or group day home that meets the definition of tier I family or group day care home under subclause (I) of subsection (f)(3)(A)(ii) except that items (aa) and (bb) of that subclause shall be applied by substituting '40 percent' for '50 percent'.

''(2) ELIGIBILITY.—For each of fiscal years 2006 and 2007, in rural areas of the State of Nebraska (as determined by the Secretary), the Secretary shall provide reimbursement to selected tier I family or group day care homes (as defined in paragraph (1)) under subsection (f)(3) in the same manner as tier I family or group day care homes (as defined in subsection (f)(3)(A)(ii)(I)).

''(3) EVALUATION.—

''(A) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service, shall evaluate the impact of the eligibility criteria described in paragraph (2) as compared to the eligibility criteria described in subsection (f)(3)(A)(ii)(I).

''(B) IMPACT.—The evaluation shall assess the impact of the change in eligibility requirements on—

''(i) the number of family or group day care homes offering meals under this section;

''(ii) the number of family or group day care homes offering meals under this section that are defined as tier I family or group day care homes as a result of paragraph (1) that otherwise would be defined as tier II family or group day care homes under subsection (f)(3)(A)(iii);

''(iii) the geographic location of the family or group day care homes;

''(iv) services provided to eligible children; and

''(v) other factors determined by the Secretary.

''(C) REPORT.—Not later than March 31, 2008, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation under this subsection.

''(D) FUNDING.—

''(i) IN GENERAL.—On October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this paragraph $400,000, to remain available until expended.

''(ii) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this paragraph the funds transferred under clause (i), without further appropriation.''.

(f) MANAGEMENT SUPPORT.—Section 17(q)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(q)(3)) is amended by striking ''1999 through 2003'' and inserting ''2005 and 2006''.

(g) AGE LIMITS.—Section 17(t)(5)(A)(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(t)(5)(A)(i) is amended—

(1) in subclause (I)—

(A) by striking ''12'' and inserting ''18''; and

(B) by inserting ''or'' after the semicolon;

(2) by striking subclause (II); and

(3) by redesignating subclause (III) as subclause (II).

(h) TECHNICAL AMENDMENTS.—Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in subsection (a)(6)(B), by inserting ''and adult'' after ''child''; and

(2) in subsection (t)(3), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(5)''.

(i) PAPERWORK REDUCTION.—The Secretary of Agriculture, in conjunction with States and participating institutions, shall examine the feasibility of reducing paperwork resulting from regulations and recordkeeping requirements for State agencies, family child care homes, child care centers, and sponsoring organizations participating in the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766).

(j) EARLY CHILD NUTRITION EDUCATION.—

(1) IN GENERAL.—Subject to the availability of funds made available under paragraph (6), for a period of 4 successive years, the Secretary of Agriculture shall award to 1 or more entities with expertise in designing and implementing health education programs for limited-English-proficient individuals 1 or more grants to enhance obesity prevention activities for child care centers and sponsoring organizations providing services to limited-English-proficient individuals through the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) in each of 4 States selected by the Secretary in accordance with paragraph (2).

(2) STATES.—The Secretary shall provide grants under this subsection in States that have experienced a growth in the limited-English-proficient population of the States of at least 100 percent between the years 1990 and 2000, as measured by the census.

(3) REQUIRED ACTIVITIES.—Activities carried out under paragraph (1) shall include—

(A) developing an interactive and comprehensive tool kit for use by lay health educators and training activities;

(B) conducting training and providing ongoing technical assistance for lay health educators; and

(C) establishing collaborations with child care centers and sponsoring organizations participating in the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) to—

(i) identify limited-English-proficient children and families; and

(ii) enhance the capacity of the child care centers and sponsoring organizations to use appropriate obesity prevention strategies.

(4) EVALUATION.—Each grant recipient shall identify an institution of higher education to conduct an independent evaluation of the effectiveness of the grant.

(5) REPORT.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Health, Education, Labor, and Pensions, of the Senate a report that includes—

(A) the evaluation completed by the institution of higher education under paragraph (4);

(B) the effectiveness of lay health educators in reducing childhood obesity; and

(C) any recommendations of the Secretary concerning the grants.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $250,000 for each of fiscal years 2005 through 2009.

**SEC. 120. FRESH FRUIT AND VEGETABLE PROGRAM.**

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended by striking subsection (g) and inserting the following:

''(g) FRESH FRUIT AND VEGETABLE PROGRAM.—

''(1) IN GENERAL.—For the school year beginning July 2004 and each subsequent school year, the Secretary shall carry out a program to make free fresh fruits and vegetables available, to the maximum extent practicable, to—

''(A) 25 elementary or secondary schools in each of the 4 States authorized to participate in the program under this subsection on May 1, 2004;

''(B) 25 elementary or secondary schools (as selected by the Secretary in accordance with paragraph (3)) in each of 4 States (including a State for which funds were allocated under the program described in paragraph (3)(B)(ii)) that are not participating in

the program under this subsection on May 1, 2004; and

''(C) 25 elementary or secondary schools operated on 3 Indian reservations (including the reservation authorized to participate in the program under this subsection on May 1, 2004), as selected by the Secretary.

''(2) PROGRAM.—A school participating in the program shall make free fresh fruits and vegetables available to students throughout the school day in 1 or more areas designated by the school.

''(3) SELECTION OF SCHOOLS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), in selecting additional schools to participate in the program under paragraph (1)(B), the Secretary shall—

''(i) to the maximum extent practicable, ensure that the majority of schools selected are those in which not less than 50 percent of students are eligible for free or reduced price meals under this Act;

''(ii) solicit applications from interested schools that include—

''(I) information pertaining to the percentage of students enrolled in the school submitting the application who are eligible for free or reduced price school lunches under this Act;

''(II) a certification of support for participation in the program signed by the school food manager, the school principal, and the district superintendent (or equivalent positions, as determined by the school); and

''(III) such other information as may be requested by the Secretary;

''(iii) for each application received, determine whether the application is from a school in which not less than 50 percent of students are eligible for free or reduced price meals under this Act; and

''(iv) give priority to schools that submit a plan for implementation of the program that includes a partnership with 1 or more entities that provide non-Federal resources (including entities representing the fruit and vegetable industry) for—

''(I) the acquisition, handling, promotion, or distribution of fresh and dried fruits and fresh vegetables; or

''(II) other support that contributes to the purposes of the program.

''(B) NONAPPLICABILITY TO EXISTING PARTICIPANTS.—Subparagraph (A) shall not apply to a school, State, or Indian reservation authorized—

''(i) to participate in the program on May 1, 2004; or

''(ii) to receive funding for free fruits and vegetables under funds provided for public health improvement under the heading 'DISEASE CONTROL, RESEARCH, AND TRAINING' under the heading 'CENTERS FOR DISEASE CONTROL AND PREVENTION' in title II of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2004 (Division E of Public Law 108–199; 118 Stat. 238).

''(4) NOTICE OF AVAILABILITY.—To be eligible to participate in the program under this subsection, a school shall widely publicize within the school the availability of free fresh fruits and vegetables under the program.

''(5) REPORTS.—

''(A) INTERIM REPORTS.—Not later than September 30 of each of fiscal years 2005 through 2008, the Secretary, acting through the Administrator of the Food and Nutrition Service, shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report that describes the activities carried out under this subsection during the fiscal year covered by the report.

''(B) FINAL REPORT.—Not later than December 31, 2008, the Secretary, acting through the Administrator of the Food and Nutrition Service, shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a final report that describes the results of the program under this subsection.

''(6) FUNDING.—

''(A) EXISTING FUNDS.—The Secretary shall use to carry out this subsection any funds that remain under this subsection on the day before the date of enactment of this subparagraph.

''(B) MANDATORY FUNDS.—

''(i) IN GENERAL.—On October 1, 2004, and on each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection $9,000,000, to remain available until expended.

''(ii) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds made available under this subparagraph, without further appropriation.

''(C) AUTHORIZATION OF APPROPRIATIONS.—In addition to any amounts made available under subparagraphs (A) and (B), there are authorized to be appropriated such sums as are necessary to expand the program carried out under this subsection.

''(D) REALLOCATION.—The Secretary may reallocate any amounts made available to carry out this subsection that are not obligated or expended, as determined by the Secretary.''.

**SEC. 121. SUMMER FOOD SERVICE RESIDENTIAL CAMP ELIGIBILITY.**

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended by adding at the end the following:

''(h) SUMMER FOOD SERVICE RESIDENTIAL CAMP ELIGIBILITY.—

''(1) IN GENERAL.—During the month after the date of enactment of this subsection through September, 2004, and the months of May through September, 2005, the Secretary shall modify eligibility criteria, at not more than 1 private nonprofit residential camp in each of not more than 2 States, as determined by the Secretary, for the purpose of identifying and evaluating alternative methods of determining the eligibility of residential private nonprofit camps to participate in the summer food service program for children established under section 13.

''(2) ELIGIBILITY.—To be eligible for the criteria modified under paragraph (1), a residential camp—

''(A) shall be a service institution (as defined in section 13(a)(1));

''(B) may not charge a fee to any child in residence at the camp; and

''(C) shall serve children who reside in an area in which poor economic conditions exist (as defined in section 13(a)(1)).

''(3) PAYMENTS.—

''(A) IN GENERAL.—Under this subsection, the Secretary shall provide reimbursement for meals served to all children at a residential camp at the payment rates specified in section 13(b)(1).

''(B) REIMBURSABLE MEALS.—A residential camp selected by the Secretary may receive reimbursement for not more than 3 meals, or 2 meals and 1 supplement, during each day of operation.

''(4) EVALUATION.—

''(A) INFORMATION FROM RESIDENTIAL CAMPS.—Not later than December 31, 2005, a residential camp selected under paragraph (1) shall report to the Secretary such information as is required by the Secretary concerning the requirements of this subsection.

''(B) REPORT TO CONGRESS.—Not later than March 31, 2006, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that evaluates the effect of this subsection on program participation and other factors, as determined by the Secretary.''.

**SEC. 122. ACCESS TO LOCAL FOODS AND SCHOOL GARDENS.**

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) (as amended by section 121) is amended by adding at the end the following:

''(i) ACCESS TO LOCAL FOODS AND SCHOOL GARDENS.—

''(1) IN GENERAL.—The Secretary may provide assistance, through competitive matching grants and technical assistance, to schools and nonprofit entities for projects that—

''(A) improve access to local foods in schools and institutions participating in programs under this Act and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) through farm-to-cafeteria activities, including school gardens, that may include the acquisition of food and appropriate equipment and the provision of training and education;

''(B) are, at a minimum, designed to—

''(i) procure local foods from small- and medium-sized farms for school meals; and

''(ii) support school garden programs;

''(C) support nutrition education activities or curriculum planning that incorporates the participation of school children in farm-based agricultural education activities, that may include school gardens;

''(D) develop a sustained commitment to farm-to-cafeteria projects in the community by linking schools, State departments of agriculture, agricultural producers, parents, and other community stakeholders;

''(E) require $100,000 or less in Federal contributions;

''(F) require a Federal share of costs not to exceed 75 percent;

''(G) provide matching support in the form of cash or in-kind contributions (including facilities, equipment, or services provided by State and local governments and private sources); and

''(H) cooperate in an evaluation carried out by the Secretary.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2004 through 2009.''.

**SEC. 123. YEAR-ROUND SERVICES FOR ELIGIBLE ENTITIES.**

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) (as amended by section 122) is amended by adding at the end the following:

''(j) YEAR-ROUND SERVICES FOR ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—A service institution that is described in section 13(a)(6) (excluding a public school), or a private nonprofit organization described in section 13(a)(7), and that is located in the State of California may be reimbursed—

''(A) for up to 2 meals during each day of operation served—

''(i) during the months of May through September;

''(ii) in the case of a service institution that operates a food service program for children on school vacation, at anytime under a continuous school calendar; and

''(iii) in the case of a service institution that provides meal service at a nonschool site to children who are not in school for a period during the school year due to a natural disaster, building repair, court order, or

similar case, at anytime during such a period; and

''(B) for a snack served during each day of operation after school hours, weekends, and school holidays during the regular school calendar.

''(2) PAYMENTS.—The service institution shall be reimbursed consistent with section 13(b)(1).

''(3) ADMINISTRATION.—To receive reimbursement under this subsection, a service institution shall comply with section 13, other than subsections (b)(2) and (c)(1) of that section.

''(4) EVALUATION.—Not later than September 30, 2007, the State agency shall submit to the Secretary a report on the effect of this subsection on participation in the summer food service program for children established under section 13.

''(5) FUNDING.—The Secretary shall provide to the State of California such sums as are necessary to carry out this subsection for each of fiscal years 2005 through 2009.''.

**SEC. 124. FREE LUNCH AND BREAKFAST ELIGIBILITY.**

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) (as amended by section 123) is amended by adding at the end the following:

''(k) FREE LUNCH AND BREAKFAST ELIGIBILITY.—

''(1) IN GENERAL.—Subject to the availability of funds under paragraph (4), the Secretary shall expand the service of free lunches and breakfasts provided at schools participating in the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) in all or part of 5 States selected by the Secretary (of which at least 1 shall be a largely rural State with a significant Native American population).

''(2) INCOME ELIGIBILITY.—The income guidelines for determining eligibility for free lunches or breakfasts under this subsection shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with section 9(b)(1)(B).

''(3) EVALUATION.—

''(A) IN GENERAL.—Not later than 3 years after the implementation of this subsection, the Secretary shall conduct an evaluation to assess the impact of the changed income eligibility guidelines by comparing the school food authorities operating under this subsection to school food authorities not operating under this subsection.

''(B) IMPACT ASSESSMENT.—

''(i) CHILDREN.—The evaluation shall assess the impact of this subsection separately on—

''(I) children in households with incomes less than 130 percent of the applicable family income levels contained in the nonfarm poverty income guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with section 9(b)(1)(B); and

''(II) children in households with incomes greater than 130 percent and not greater than 185 percent of the applicable family income levels contained in the nonfarm poverty income guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with section 9(b)(1)(B).

''(ii) FACTORS.—The evaluation shall assess the impact of this subsection on—

''(I) certification and participation rates in the school lunch and breakfast programs;

''(II) rates of lunch- and breakfast-skipping;

''(III) academic achievement;

''(IV) the allocation of funds authorized in title I of the Elementary and Secondary Education Act (20 U.S.C. 6301) to local educational agencies and public schools; and

''(V) other factors determined by the Secretary.

''(C) COST ASSESSMENT.—The evaluation shall assess the increased costs associated with providing additional free, reduced price, or paid meals in the school food authorities operating under this subsection.

''(D) REPORT.—On completion of the evaluation, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation under this paragraph.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection, to remain available until expended.''.

**SEC. 125. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.**

(a) IN GENERAL.—Section 21(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(a)(1)) is amended by striking ''activities and'' and all that follows and inserting ''activities and provide—

''(A) training and technical assistance to improve the skills of individuals employed in—

''(i) food service programs carried out with assistance under this Act and, to the maximum extent practicable, using individuals who administer exemplary local food service programs in the State;

''(ii) school breakfast programs carried out with assistance under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

''(iii) as appropriate, other federally assisted feeding programs; and

''(B) assistance, on a competitive basis, to State agencies for the purpose of aiding schools and school food authorities with at least 50 percent of enrolled children certified to receive free or reduced price meals (and, if there are any remaining funds, other schools and school food authorities) in meeting the cost of acquiring or upgrading technology and information management systems for use in food service programs carried out under this Act and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), if the school or school food authority submits to the State agency an infrastructure development plan that—

''(i) addresses the cost savings and improvements in program integrity and operations that would result from the use of new or upgraded technology;

''(ii) ensures that there is not any overt identification of any child by special tokens or tickets, announced or published list of names, or by any other means;

''(iii) provides for processing and verifying applications for free and reduced price school meals;

''(iv) integrates menu planning, production, and serving data to monitor compliance with section 9(f)(1); and

''(v) establishes compatibility with statewide reporting systems;

''(C) assistance, on a competitive basis, to State agencies with low proportions of schools or students that—

''(i) participate in the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

''(ii) demonstrate the greatest need, for the purpose of aiding schools in meeting costs associated with initiating or expanding a school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), including outreach and informational activities; and''.

(b) DUTIES OF FOOD SERVICE MANAGEMENT INSTITUTE.—Section 21(c)(2)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(c)(2)(B)) is amended—

(1) by striking clauses (vi) and (vii) and inserting the following:

''(vi) safety, including food handling, hazard analysis and critical control point plan implementation, emergency readiness, responding to a food recall, and food biosecurity training;''; and

(2) by redesignating clauses (viii) through (x) as clauses (vii) through (ix), respectively.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) TRAINING ACTIVITIES AND TECHNICAL ASSISTANCE.—Section 21(e)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(e)(1)) is amended by striking ''2003'' and inserting ''2009''.

(2) FOOD SERVICE MANAGEMENT INSTITUTE.—Section 21(e)(2)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(e)(2)(A) is amended in the first sentence—

(A) by striking ''provide to the Secretary'' and all that follows through ''1998, and'' and inserting ''provide to the Secretary''; and

(B) by striking ''1999 and'' and inserting ''2004 and $4,000,000 for fiscal year 2005''.

**SEC. 126. ADMINISTRATIVE ERROR REDUCTION.**

(a) FEDERAL SUPPORT FOR TRAINING AND TECHNICAL ASSISTANCE.—Section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1) is amended by adding at the end the following:

''(f) ADMINISTRATIVE TRAINING AND TECHNICAL ASSISTANCE MATERIAL.—In collaboration with State educational agencies, local educational agencies, and school food authorities of varying sizes, the Secretary shall develop and distribute training and technical assistance material relating to the administration of school meals programs that are representative of the best management and administrative practices.

''(g) FEDERAL ADMINISTRATIVE SUPPORT.—

''(1) FUNDING.—

''(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection—

''(i) on October 1, 2004, and October 1, 2005, $3,000,000; and

''(ii) on October 1, 2006, October 1, 2007, and October 1, 2008, $2,000,000.

''(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

''(C) AVAILABILITY OF FUNDS.—Funds transferred under subparagraph (A) shall remain available until expended.

''(2) USE OF FUNDS.—The Secretary may use funds provided under this subsection—

''(A) to provide training and technical assistance and material related to improving program integrity and administrative accuracy in school meals programs; and

''(B) to assist State educational agencies in reviewing the administrative practices of local educational agencies, to the extent determined by the Secretary.''.

(b) SELECTED ADMINISTRATIVE REVIEWS.—

(1) IN GENERAL.—Section 22(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(b)) is amended by adding at the end the following:

''(3) ADDITIONAL REVIEW REQUIREMENT FOR SELECTED LOCAL EDUCATIONAL AGENCIES.—

''(A) DEFINITION OF SELECTED LOCAL EDUCATIONAL AGENCIES.—In this paragraph, the term 'selected local educational agency' means a local educational agency that has a demonstrated high level of, or a high risk for, administrative error, as determined by the Secretary.

''(B) ADDITIONAL ADMINISTRATIVE REVIEW.—In addition to any review required by subsection (a) or paragraph (1), each State educational agency shall conduct an administrative review of each selected local educational agency during the review cycle established under subsection (a).

''(C) SCOPE OF REVIEW.—In carrying out a review under subparagraph (B), a State educational agency shall only review the administrative processes of a selected local educational agency, including application, certification, verification, meal counting, and meal claiming procedures.

''(D) RESULTS OF REVIEW.—If the State educational agency determines (on the basis of a review conducted under subparagraph (B)) that a selected local educational agency fails to meet performance criteria established by the Secretary, the State educational agency shall—

''(i) require the selected local educational agency to develop and carry out an approved plan of corrective action;

''(ii) except to the extent technical assistance is provided directly by the Secretary, provide technical assistance to assist the selected local educational agency in carrying out the corrective action plan; and

''(iii) conduct a followup review of the selected local educational agency under standards established by the Secretary.

''(4) RETAINING FUNDS AFTER ADMINISTRATIVE REVIEWS.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), if the local educational agency fails to meet administrative performance criteria established by the Secretary in both an initial review and a followup review under paragraph (1) or (3) or subsection (a), the Secretary may require the State educational agency to retain funds that would otherwise be paid to the local educational agency for school meals programs under procedures prescribed by the Secretary.

''(B) AMOUNT.—The amount of funds retained under subparagraph (A) shall equal the value of any overpayment made to the local educational agency or school food authority as a result of an erroneous claim during the time period described in subparagraph (C).

''(C) TIME PERIOD.—The period for determining the value of any overpayment under subparagraph (B) shall be the period—

''(i) beginning on the date the erroneous claim was made; and

''(ii) ending on the earlier of the date the erroneous claim is corrected or—

''(I) in the case of the first followup review conducted by the State educational agency of the local educational agency under this section after July 1, 2005, the date that is 60 days after the beginning of the period under clause (i); or

''(II) in the case of any subsequent followup review conducted by the State educational agency of the local educational agency under this section, the date that is 90 days after the beginning of the period under clause (i).

''(5) USE OF RETAINED FUNDS.—

''(A) IN GENERAL.—Subject to subparagraph (B), funds retained under paragraph (4) shall—

''(i) be returned to the Secretary, and may be used—

''(I) to provide training and technical assistance related to administrative practices designed to improve program integrity and administrative accuracy in school meals programs to State educational agencies and, to the extent determined by the Secretary, to local educational agencies and school food authorities;

''(II) to assist State educational agencies in reviewing the administrative practices of local educational agencies in carrying out school meals programs; and

''(III) to carry out section 21(f); or

''(ii) be credited to the child nutrition programs appropriation account.

''(B) STATE SHARE.—A State educational agency may retain not more than 25 percent of an amount recovered under paragraph (4), to carry out school meals program integrity initiatives to assist local educational agencies and school food authorities that have repeatedly failed, as determined by the Secretary, to meet administrative performance criteria.

''(C) REQUIREMENT.—To be eligible to retain funds under subparagraph (B), a State educational agency shall—

''(i) submit to the Secretary a plan describing how the State educational agency will use the funds to improve school meals program integrity, including measures to give priority to local educational agencies from which funds were retained under paragraph (4);

''(ii) consider using individuals who administer exemplary local food service programs in the provision of training and technical assistance; and

''(iii) obtain the approval of the Secretary for the plan.''.

(2) INTERPRETATION.—Nothing in the amendment made by paragraph (1) affects the requirements for fiscal actions as described in the regulations issued pursuant to section 22(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(a)).

(c) TRAINING AND TECHNICAL ASSISTANCE.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) in subsection (e)—

(A) by striking ''(e) Each'' and inserting the following:

''(e) PLANS FOR USE OF ADMINISTRATIVE EXPENSE FUNDS.—

''(1) IN GENERAL.—Each''; and

(B) by striking ''After submitting'' and all that follows through ''change in the plan.'' and inserting the following:

''(2) UPDATES AND INFORMATION MANAGEMENT SYSTEMS.—

''(A) IN GENERAL.—After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.

''(B) PLAN CONTENTS.—Each State plan shall, at a minimum, include a description of how technology and information management systems will be used to improve program integrity by—

''(i) monitoring the nutrient content of meals served;

''(ii) training local educational agencies, school food authorities, and schools in how to use technology and information management systems (including verifying eligibility for free or reduced price meals using program participation or income data gathered by State or local agencies); and

''(iii) using electronic data to establish benchmarks to compare and monitor program integrity, program participation, and financial data.

''(3) TRAINING AND TECHNICAL ASSISTANCE.—Each State shall submit to the Secretary for approval a plan describing the manner in which the State intends to implement subsection (g) and section 22(b)(3) of the Richard B. Russell National School Lunch Act.'';

(2) by redesignating subsection (g) as subsection (j); and

(3) by inserting after subsection (f) the following:

''(g) STATE TRAINING.—

''(1) IN GENERAL.—At least annually, each State shall provide training in administrative practices (including training in application, certification, verification, meal counting, and meal claiming procedures) to local educational agency and school food authority administrative personnel and other appropriate personnel, with emphasis on the requirements established by the Child Nutrition and WIC Reauthorization Act of 2004 and the amendments made by that Act.

''(2) FEDERAL ROLE.—The Secretary shall—

''(A) provide training and technical assistance to a State; or

''(B) at the option of the Secretary, directly provide training and technical assistance described in paragraph (1).

''(3) REQUIRED PARTICIPATION.—In accordance with procedures established by the Secretary, each local educational agency or school food authority shall ensure that an individual conducting or overseeing administrative procedures described in paragraph (1) receives training at least annually, unless determined otherwise by the Secretary.

''(h) FUNDING FOR TRAINING AND ADMINISTRATIVE REVIEWS.—

''(1) FUNDING.—

''(A) IN GENERAL.—On October 1, 2004, and on each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection $4,000,000, to remain available until expended.

''(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

''(2) USE OF FUNDS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall use funds provided under this subsection to assist States in carrying out subsection (g) and administrative reviews of selected local educational agencies carried out under section 22 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c).

''(B) EXCEPTION.—The Secretary may retain a portion of the amount provided to cover costs of activities carried out by the Secretary in lieu of the State.

''(3) ALLOCATION.—The Secretary shall allocate funds provided under this subsection to States based on the number of local educational agencies that have demonstrated a high level of, or a high risk for, administrative error, as determined by the Secretary, taking into account the requirements established by the Child Nutrition and WIC Reauthorization Act of 2004 and the amendments made by that Act.

''(4) REALLOCATION.—The Secretary may reallocate, to carry out this section, any amounts made available to carry out this subsection that are not obligated or expended, as determined by the Secretary.''.

**SEC. 127. COMPLIANCE AND ACCOUNTABILITY.**

Section 22(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking ''$3,000,000 for each of the fiscal years 1994 through 2003'' and inserting ''$6,000,000 for each of fiscal years 2004 through 2009''.

**SEC. 128. INFORMATION CLEARINGHOUSE.**

Section 26(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769g(d)) is amended in the first sentence—

(1) by striking ''1998, and'' and inserting ''1998,''; and

(2) by striking ''through 2003'' and inserting ''through 2004, and $250,000 for each of fiscal years 2005 through 2009''.

**SEC. 129. PROGRAM EVALUATION.**

The Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by adding at the end the following:

**''SEC. 28. PROGRAM EVALUATION.**

''(a) PERFORMANCE ASSESSMENTS.—

''(1) IN GENERAL.—Subject to the availability of funds made available under paragraph (3), the Secretary, acting through the

Administrator of the Food and Nutrition Service, may conduct annual national performance assessments of the meal programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

''(2) COMPONENTS.—In conducting an assessment, the Secretary may assess—

''(A) the cost of producing meals and meal supplements under the programs described in paragraph (1); and

''(B) the nutrient profile of meals, and status of menu planning practices, under the programs.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for fiscal year 2004 and each subsequent fiscal year.

''(b) CERTIFICATION IMPROVEMENTS.—

''(1) IN GENERAL.—Subject to the availability of funds made available under paragraph (5), the Secretary, acting through the Administrator of the Food and Nutrition Service, shall conduct a study of the feasibility of improving the certification process used for the school lunch program established under this Act.

''(2) PILOT PROJECTS.—In carrying out this subsection, the Secretary may conduct pilot projects to improve the certification process used for the school lunch program.

''(3) COMPONENTS.—In carrying out this subsection, the Secretary shall examine the use of—

''(A) other income reporting systems;

''(B) an integrated benefit eligibility determination process managed by a single agency;

''(C) income or program participation data gathered by State or local agencies; and

''(D) other options determined by the Secretary.

''(4) WAIVERS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may waive such provisions of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) as are necessary to carry out this subsection.

''(B) PROVISIONS.—The protections of section 9(b)(6) shall apply to any study or pilot project carried out under this subsection.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection such sums as are necessary.''.

## TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966

### SEC. 201. SEVERE NEED ASSISTANCE.

Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsection (d) and inserting the following:

''(d) SEVERE NEED ASSISTANCE.—

''(1) IN GENERAL.—Each State educational agency shall provide additional assistance to schools in severe need, which shall include only those schools (having a breakfast program or desiring to initiate a breakfast program) in which—

''(A) during the most recent second preceding school year for which lunches were served, 40 percent or more of the lunches served to students at the school were served free or at a reduced price; or

''(B) in the case of a school in which lunches were not served during the most recent second preceding school year, the Secretary otherwise determines that the requirements of subparagraph (A) would have been met.

''(2) ADDITIONAL ASSISTANCE.—A school, on the submission of appropriate documentation about the need circumstances in that school and the eligibility of the school for additional assistance, shall be entitled to receive the meal reimbursement rate specified in subsection (b)(2).''.

### SEC. 202. STATE ADMINISTRATIVE EXPENSES.

(a) MINIMUM STATE ADMINISTRATIVE EXPENSE GRANTS.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking the section heading and all that follows through ''(a)(1) Each'' and inserting the following:

**''SEC. 7. STATE ADMINISTRATIVE EXPENSES.**

''(a) AMOUNT AND ALLOCATION OF FUNDS.—

''(1) AMOUNT AVAILABLE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), each'';

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by inserting after the first sentence the following:

''(B) MINIMUM AMOUNT.—In the case of each of fiscal years 2005 through 2007, the Secretary shall make available to each State for administrative costs not less than the initial allocation made to the State under this subsection for fiscal year 2004.'';

(ii) by striking ''The Secretary'' and inserting the following:

''(C) ALLOCATION.—The Secretary''; and

(iii) by striking the last sentence; and

(B) in paragraph (2)—

(i) by striking ''(2) The'' and inserting the following:

''(2) EXPENSE GRANTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the'';

(ii) in the second sentence—

(I) by striking ''In no case'' and inserting the following:

''(B) MINIMUM AMOUNT.—

''(i) IN GENERAL.—In no case'';

(II) by striking ''this subsection'' and inserting ''this paragraph''; and

(III) by striking ''$100,000'' and inserting ''$200,000 (as adjusted under clause (ii)''; and

(iii) by adding at the end the following:

''(ii) ADJUSTMENT.—On October 1, 2008, and each October 1 thereafter, the minimum dollar amount for a fiscal year specified in clause (i) shall be adjusted to reflect the percentage change between—

''(I) the value of the index for State and local government purchases, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

''(II) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.''.

(b) TECHNOLOGY INFRASTRUCTURE IMPROVEMENT.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended by inserting after subsection (h) (as added by section 126(c)(3)) the following:

''(i) TECHNOLOGY INFRASTRUCTURE IMPROVEMENT.—

''(1) IN GENERAL.—Each State shall submit to the Secretary, for approval by the Secretary, an amendment to the plan required by subsection (e) that describes the manner in which funds provided under this section will be used for technology and information management systems.

''(2) REQUIREMENTS.—The amendment shall, at a minimum, describe the manner in which the State will improve program integrity by—

''(A) monitoring the nutrient content of meals served;

''(B) providing training to local educational agencies, school food authorities, and schools on the use of technology and information management systems for activities including—

''(i) menu planning;

''(ii) collection of point-of-sale data; and

''(iii) the processing of applications for free and reduced price meals; and

''(C) using electronic data to establish benchmarks to compare and monitor program integrity, program participation, and financial data across schools and school food authorities.

''(3) TECHNOLOGY INFRASTRUCTURE GRANTS.—

''(A) IN GENERAL.—Subject to the availability of funds made available under paragraph (4) to carry out this paragraph, the Secretary shall, on a competitive basis, provide funds to States to be used to provide grants to local educational agencies, school food authorities, and schools to defray the cost of purchasing or upgrading technology and information management systems for use in programs authorized by this Act (other than section 17) and the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

''(B) INFRASTRUCTURE DEVELOPMENT PLAN.—To be eligible to receive a grant under this paragraph, a school or school food authority shall submit to the State a plan to purchase or upgrade technology and information management systems that addresses potential cost savings and methods to improve program integrity, including—

''(i) processing and verification of applications for free and reduced price meals;

''(ii) integration of menu planning, production, and serving data to monitor compliance with section 9(f)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(1)); and

''(iii) compatibility with statewide reporting systems.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2005 through 2009, to remain available until expended.''.

(c) REAUTHORIZATION.—Subsection (j) of section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) (as redesignated by section 126(c)(2)) is amended by striking ''2003'' and inserting ''2009''.

### SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) DEFINITIONS.—

(1) NUTRITION EDUCATION.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended by striking paragraph (7) and inserting the following:

''(7) NUTRITION EDUCATION.—The term 'nutrition education' means individual and group sessions and the provision of material that are designed to improve health status and achieve positive change in dietary and physical activity habits, and that emphasize the relationship between nutrition, physical activity, and health, all in keeping with the personal and cultural preferences of the individual.''.

(2) SUPPLEMENTAL FOODS.—Section 17(b)(14) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(14)) is amended in the first sentence by inserting after ''children'' the following: ''and foods that promote the health of the population served by the program authorized by this section, as indicated by relevant nutrition science, public health concerns, and cultural eating patterns''.

(3) OTHER TERMS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended by adding at the end the following:

''(22) PRIMARY CONTRACT INFANT FORMULA.—The term 'primary contract infant formula' means the specific infant formula for which manufacturers submit a bid to a State agency in response to a rebate solicitation under this section and for which a contract is awarded by the State agency as a result of that bid.

''(23) STATE ALLIANCE.—The term 'State alliance' means 2 or more State agencies that

join together for the purpose of procuring infant formula under the program by soliciting competitive bids for infant formula.''.

(b) ELIGIBILITY.—

(1) CERTIFICATION PERIOD.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)) is amended—

(A) by striking ''(3)(A) Persons'' and inserting the following:

''(3) CERTIFICATION.—

''(A) PROCEDURES.—

''(i) IN GENERAL.—Subject to clause (ii), a person''; and

(B) by adding at the end of subparagraph (A) the following:

''(ii) BREASTFEEDING WOMEN.—A State may elect to certify a breastfeeding woman for a period of 1 year postpartum or until a woman discontinues breastfeeding, whichever is earlier.''.

(2) PHYSICAL PRESENCE.—Section 17(d)(3)(C)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)(C)(ii)) is amended—

(A) in subclause (I)(bb), by striking ''from a provider other than the local agency; or'' and inserting a semicolon;

(B) in subclause (II), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(III) an infant under 8 weeks of age—

''(aa) who cannot be present at certification for a reason determined appropriate by the local agency; and

''(bb) for whom all necessary certification information is provided.''.

(c) ADMINISTRATION.—

(1) PROCESSING VENDOR APPLICATIONS; PARTICIPANT ACCESS.—Section 17(f)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is amended—

(A) in clause (i) by inserting ''at any of the authorized retail stores under the program'' after ''the program'';

(B) by redesignating clauses (ii) through (x) as clauses (iii) through (xi), respectively; and

(C) by inserting after clause (i) the following:

''(ii) procedures for accepting and processing vendor applications outside of the established timeframes if the State agency determines there will be inadequate access to the program, including in a case in which a previously authorized vendor sells a store under circumstances that do not permit timely notification to the State agency of the change in ownership;''.

(2) ALLOWABLE USE OF FUNDS.—

(A) IN GENERAL.—Section 17(f)(11) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(11) is amended—

(i) by striking ''(11) The Secretary'' and inserting the following:

''(11) SUPPLEMENTAL FOODS.—

''(A) IN GENERAL.—The Secretary'';

(ii) in the second sentence, by striking ''To the degree'' and inserting the following:

''(B) APPROPRIATE CONTENT.—To the degree''; and

(iii) by adding at the end the following:

''(C) ALLOWABLE USE OF FUNDS.—Subject to the availability of funds, the Secretary shall award grants to not more than 10 local sites determined by the Secretary to be geographically and culturally representative of State, local, and Indian agencies, to evaluate the feasibility of including fresh, frozen, or canned fruits and vegetables (to be made available through private funds) as an addition to the supplemental foods prescribed under this section.

''(D) REVIEW OF AVAILABLE SUPPLEMENTAL FOODS.—As frequently as determined by the Secretary to be necessary to reflect the most recent scientific knowledge, the Secretary shall—

''(i) conduct a scientific review of the supplemental foods available under the program; and

''(ii) amend the supplemental foods available, as necessary, to reflect nutrition science, public health concerns, and cultural eating patterns.''.

(B) RULEMAKING.—Not later than 18 months after the date of receiving the review initiated by the National Academy of Sciences, Institute of Medicine in September 2003 of the supplemental foods available for the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Secretary shall promulgate a final rule updating the prescribed supplemental foods available through the program.

(3) USE OF CLAIMS FROM LOCAL AGENCIES.—Section 17(f)(21) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(21)) is amended—

(A) in the paragraph heading, by striking ''VENDORS'' and inserting ''LOCAL AGENCIES, VENDORS,''; and

(B) by striking ''vendors'' and inserting ''local agencies, vendors,''.

(4) INFANT FORMULA BENEFITS.—

(A) IN GENERAL.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

''(25) INFANT FORMULA BENEFITS.—A State agency may round up to the next whole can of infant formula to allow all participants under the program to receive the full-authorized nutritional benefit specified by regulation.''.

(B) APPLICABILITY.—The amendment made by subparagraph (A) applies to infant formula provided under a contract resulting from a bid solicitation issued on or after October 1, 2004.

(5) NOTIFICATION OF VIOLATIONS.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) (as amended by paragraph (4)) is amended by adding at the end the following:

''(26) NOTIFICATION OF VIOLATIONS.—If a State agency finds that a vendor has committed a violation that requires a pattern of occurrences in order to impose a penalty or sanction, the State agency shall notify the vendor of the initial violation in writing prior to documentation of another violation, unless the State agency determines that notifying the vendor would compromise an investigation.''.

(d) REAUTHORIZATION OF WIC PROGRAM.—Section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended by striking ''(g)(1)'' and all that follows through ''As authorized'' in paragraph (1) and inserting the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—

''(A) AUTHORIZATION.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2004 through 2009.

''(B) ADVANCE APPROPRIATIONS; AVAILABILITY.—As authorized''.

(e) NUTRITION SERVICES AND ADMINISTRATION FUNDS; COMPETITIVE BIDDING; RETAILERS.—

(1) IN GENERAL.—Section 17(h)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(A)) is amended by striking ''For each of the fiscal years 1995 through 2003, the'' and inserting ''The''.

(2) HEALTHY PEOPLE 2010 INITIATIVE.—Section 17(h)(4) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(4)) is amended—

(A) in subparagraph (D), by striking ''; and'' and inserting a semicolon;

(B) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(F) partner with communities, State and local agencies, employers, health care professionals, and other entities in the private sector to build a supportive breastfeeding environment for women participating in the program under this section to support the breastfeeding goals of the Healthy People 2010 initiative.''.

(3) SIZE OF STATE ALLIANCES.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the following:

''(iv) SIZE OF STATE ALLIANCES.—

''(I) IN GENERAL.—Except as provided in subclauses (II) through (IV), no State alliance may exist among States if the total number of infants served by States participating in the alliance as of October 1, 2003, or such subsequent date determined by the Secretary for which data is available, would exceed 100,000.

''(II) ADDITION OF INFANT PARTICIPANTS.—In the case of a State alliance that exists on the date of enactment of this clause, the alliance may continue and may expand to serve more than 100,000 infants but, except as provided in subclause (III), may not expand to include any additional State agency.

''(III) ADDITION OF SMALL STATE AGENCIES AND INDIAN STATE AGENCIES.—Any State alliance may expand to include any State agency that served less than 5,000 infant participants as of October 1, 2003, or such subsequent date determined by the Secretary for which data is available, or any Indian State agency, if the State agency or Indian State agency requests to join the State alliance.

''(IV) SECRETARIAL WAIVER.—The Secretary may waive the requirements of this clause not earlier than 30 days after submitting to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a written report that describes the cost-containment and competitive benefits of the proposed waiver.''.

(4) PRIMARY CONTRACT INFANT FORMULA.—

(A) IN GENERAL.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(8)(A)) (as amended by paragraph (3)) is amended—

(i) in clause (ii)(I), by striking ''contract brand of'' and inserting ''primary contract'';

(ii) in clause (iii), by inserting ''for a specific infant formula for which manufacturers submit a bid'' after ''lowest net price''; and

(iii) by adding at the end the following:

''(v) FIRST CHOICE OF ISSUANCE.—The State agency shall use the primary contract infant formula as the first choice of issuance (by formula type), with all other infant formulas issued as an alternative to the primary contract infant formula.''.

(B) APPLICABILITY.—The amendments made by subparagraph (A) apply to a contract resulting from a bid solicitation issued on or after October 1, 2004.

(5) REBATE INVOICES.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) (as amended by paragraph (4)(A)(iii)) is amended by adding at the end the following:

''(vi) REBATE INVOICES.—Each State agency shall have a system to ensure that infant formula rebate invoices, under competitive bidding, provide a reasonable estimate or an actual count of the number of units sold to participants in the program under this section.''.

(6) UNCOUPLING MILK AND SOY BIDS.—

(A) IN GENERAL.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) (as amended by paragraph (5)) is amended by adding at the end the following:

''(vii) SEPARATE SOLICITATIONS.—In soliciting bids for infant formula under a competitive bidding system, any State agency,

or State alliance, that served under the program a monthly average of more than 100,000 infants during the preceding 12-month period shall solicit bids from infant formula manufacturers under procedures that require that bids for rebates or discounts are solicited for milk-based and soy-based infant formula separately.''.

(B) APPLICABILITY.—The amendment made by this paragraph applies to a bid solicitation issued on or after October 1, 2004.

(7) CENT-FOR-CENT ADJUSTMENTS.—

(A) IN GENERAL.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) (as amended by paragraph (6)(A)) is amended by adding at the end the following:

''(viii) CENT-FOR-CENT ADJUSTMENTS.—A bid solicitation for infant formula under the program shall require the manufacturer to adjust for price changes subsequent to the opening of the bidding process in a manner that requires—

''(I) a cent-for-cent increase in the rebate amounts if there is an increase in the lowest national wholesale price for a full truckload of the particular infant formula; and

''(II) a cent-for-cent decrease in the rebate amounts if there is a decrease in the lowest national wholesale price for a full truckload of the particular infant formula.''.

(B) CONFORMING AMENDMENT.—Section 17(h)(8)(A)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)(ii)) is amended by striking ''rise'' and inserting ''change''.

(C) APPLICABILITY.—The amendments made by this paragraph apply to a bid solicitation issued on or after October 1, 2004.

(8) LIST OF INFANT FORMULA WHOLESALERS, DISTRIBUTORS, RETAILERS, AND MANUFACTURERS.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) (as amended by paragraph (7)(A)) is amended by adding at the end the following:

''(ix) LIST OF INFANT FORMULA WHOLESALERS, DISTRIBUTORS, RETAILERS, AND MANUFACTURERS.—The State agency shall maintain a list of—

''(I) infant formula wholesalers, distributors, and retailers licensed in the State in accordance with State law (including regulations); and

''(II) infant formula manufacturers registered with the Food and Drug Administration that provide infant formula.

''(x) PURCHASE REQUIREMENT.—A vendor authorized to participate in the program under this section shall only purchase infant formula from the list described in clause (ix).''.

(9) FUNDS FOR INFRASTRUCTURE, MANAGEMENT INFORMATION SYSTEMS, AND SPECIAL NUTRITION EDUCATION.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by striking paragraph (10) and inserting the following:

''(10) FUNDS FOR INFRASTRUCTURE, MANAGEMENT INFORMATION SYSTEMS, AND SPECIAL NUTRITION EDUCATION.—

''(A) IN GENERAL.—For each of fiscal years 2006 through 2009, the Secretary shall use for the purposes specified in subparagraph (B), $64,000,000 or the amount of nutrition services and administration funds and supplemental food funds for the prior fiscal year that have not been obligated, whichever is less.

''(B) PURPOSES.—Of the amount made available under subparagraph (A) for a fiscal year, not more than—

''(i) $14,000,000 shall be used for—

''(I) infrastructure for the program under this section;

''(II) special projects to promote breastfeeding, including projects to assess the effectiveness of particular breastfeeding promotion strategies; and

''(III) special State projects of regional or national significance to improve the services of the program;

''(ii) $30,000,000 shall be used to establish, improve, or administer management information systems for the program, including changes necessary to meet new legislative or regulatory requirements of the program; and

''(iii) $20,000,000 shall be used for special nutrition education such as breast feeding peer counselors and other related activities.

''(C) PROPORTIONAL DISTRIBUTION.—In a case in which less than $64,000,000 is available to carry out this paragraph, the Secretary shall make a proportional distribution of funds allocated under subparagraph (B).''.

(10) VENDOR COST CONTAINMENT.—

(A) Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by striking paragraph (11) and inserting the following:

''(11) VENDOR COST CONTAINMENT.—

''(A) PEER GROUPS.—

''(i) IN GENERAL.—The State agency shall—

''(I) establish a vendor peer group system;

''(II) in accordance with subparagraphs (B) and (C), establish competitive price criteria and allowable reimbursement levels for each vendor peer group; and

''(III) if the State agency elects to authorize any types of vendors described in subparagraph (D)(ii)(I)—

''(aa) distinguish between vendors described in subparagraph (D)(ii)(I) and other vendors by establishing—

''(AA) separate peer groups for vendors described in subparagraph (D)(ii)(I);or

''(BB) distinct competitive price criteria and allowable reimbursement levels for vendors described in subparagraph (D)(ii)(I) within a peer group that contains both vendors described in subparagraph (D)(ii)(I) and other vendors; and

''(bb) establish competitive price criteria and allowable reimbursement levels that comply with subparagraphs (B) and (C), respectively, and that do not result in higher food costs if program participants redeem supplemental food vouchers at vendors described in subparagraph (D)(ii)(I) rather than at vendors other than vendors described in subparagraph (D)(ii)(I).

Nothing in this paragraph shall be construed to compel a State agency to achieve lower food costs if program participants redeem supplemental food vouchers at vendors described in subparagraph (D)(ii)(I) rather than at vendors other than vendors described in subparagraph (D)(ii)(I).

''(ii) EXEMPTIONS.—The Secretary may exempt from the requirements of clause (i)—

''(I) a State agency that elects not to authorize any types of vendors described in subparagraph (D)(ii)(I) and that demonstrates to the Secretary that—

''(aa) compliance with clause (i) would be inconsistent with efficient and effective operation of the program administered by the State under this section; or

''(bb) an alternative cost-containment system would be as effective as a vendor peer group system; or

''(II) a State agency—

''(aa) in which the sale of supplemental foods that are obtained with food instruments from vendors described in subparagraph (D)(ii)(I) constituted less than 5 percent of total sales of supplemental foods that were obtained with food instruments in the State in the year preceding a year in which the exemption is effective; and

''(bb) that demonstrates to the Secretary that an alternative cost-containment system would be as effective as the vendor peer group system and would not result in higher food costs if program participants redeem supplemental food vouchers at vendors described in subparagraph (D)(ii)(I) rather than at vendors other than vendors described in subparagraph (D)(ii)(I).

''(B) COMPETITIVE PRICING.—

''(i) IN GENERAL.—The State agency shall establish competitive price criteria for each peer group for the selection of vendors for participation in the program that—

''(I) ensure that the retail prices charged by vendor applicants for the program are competitive with the prices charged by other vendors; and

''(II) consider—

''(aa) the shelf prices of the vendor for all buyers; or

''(bb) the prices that the vendor bid for supplemental foods, which shall not exceed the shelf prices of the vendor for all buyers.

''(ii) PARTICIPANT ACCESS.—In establishing competitive price criteria, the State agency shall consider participant access by geographic area.

''(iii) SUBSEQUENT PRICE INCREASES.—The State agency shall establish procedures to ensure that a retail store selected for participation in the program does not, subsequent to selection, increase prices to levels that would make the store ineligible for selection to participate in the program.

''(C) ALLOWABLE REIMBURSEMENT LEVELS.—

''(i) IN GENERAL.—The State agency shall establish allowable reimbursement levels for supplemental foods for each vendor peer group that ensure—

''(I) that payments to vendors in the vendor peer group reflect competitive retail prices; and

''(II) that the State agency does not reimburse a vendor for supplemental foods at a level that would make the vendor ineligible for authorization under the criteria established under subparagraph (B).

''(ii) PRICE FLUCTUATIONS.—The allowable reimbursement levels may include a factor to reflect fluctuations in wholesale prices.

''(iii) PARTICIPANT ACCESS.—In establishing allowable reimbursement levels, the State agency shall consider participant access in a geographic area.

''(D) EXEMPTIONS.—The State agency may exempt from competitive price criteria and allowable reimbursement levels established under this paragraph—

''(i) pharmacy vendors that supply only exempt infant formula or medical foods that are eligible under the program; and

''(ii) vendors—

''(I)(aa) for which more than 50 percent of the annual revenue of the vendor from the sale of food items consists of revenue from the sale of supplemental foods that are obtained with food instruments; or

''(bb) who are new applicants likely to meet the criteria of item (aa) under criteria approved by the Secretary; and

''(II) that are nonprofit.

''(E) COST CONTAINMENT.—If a State agency elects to authorize any types of vendors described in subparagraph (D)(ii)(I), the State agency shall demonstrate to the Secretary, and the Secretary shall certify, that the competitive price criteria and allowable reimbursement levels established under this paragraph for vendors described in subparagraph (D)(ii)(I) do not result in average payments per voucher to vendors described in subparagraph (D)(ii)(I) that are higher than average payments per voucher to comparable vendors other than vendors described in subparagraph (D)(ii)(I).

''(F) LIMITATION ON PRIVATE RIGHTS OF ACTION.—Nothing in this paragraph may be construed as creating a private right of action.

''(G) IMPLEMENTATION.—A State agency shall comply with this paragraph not later

than 18 months after the date of enactment of this paragraph.''.

(B) CONFORMING AMENDMENT.—Section 17(f)(1)(C)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)(i)) is amended by inserting before the semicolon the following: '', including a description of the State agency's vendor peer group system, competitive price criteria, and allowable reimbursement levels that demonstrate that the State is in compliance with the cost-containment provisions in subsection (h)(11).''.

(11) IMPOSITION OF COSTS ON RETAIL STORES.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by striking paragraph (12) and inserting the following:

''(12) IMPOSITION OF COSTS ON RETAIL STORES.—The Secretary may not impose, or allow a State agency to impose, the costs of any equipment, system, or processing required for electronic benefit transfers on any retail store authorized to transact food instruments, as a condition for authorization or participation in the program.''.

(12) UNIVERSAL PRODUCT CODES DATABASE.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) (as amended by paragraph (11)) is amended by adding at the end the following:

''(13) UNIVERSAL PRODUCT CODES DATABASE.—The Secretary shall—

''(A) establish a national universal product code database for use by all State agencies in carrying out the program; and

''(B) make available from appropriated funds such sums as are required for hosting, hardware and software configuration, and support of the database.''.

(13) INCENTIVE ITEMS.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) (as amended by paragraph (12)) is amended by adding at the end the following:

''(14) INCENTIVE ITEMS.—A State agency shall not authorize or make payments to a vendor described in paragraph (11)(D)(ii)(I) that provides incentive items or other free merchandise, except food or merchandise of nominal value (as determined by the Secretary), to program participants unless the vendor provides to the State agency proof that the vendor obtained the incentive items or merchandise at no cost.''.

(f) SPEND FORWARD AUTHORITY.—Section 17(i)(3)(A)(ii)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)(A)(ii)(I)) is amended by striking ''1 percent'' and inserting ''3 percent''.

(g) MIGRANT AND COMMUNITY HEALTH CENTERS INITIATIVE.—Section 17(j) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(j)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraph (5) as paragraph (4).

(h) FARMERS' MARKET NUTRITION PROGRAM.—

(1) ROADSIDE STANDS.—Section 17(m)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(1)) is amended by inserting ''and (at the option of a State) roadside stands'' after ''farmers' markets''.

(2) MATCHING FUNDS.—Section 17(m)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(3)) is amended by striking ''total'' both places it appears and inserting ''administrative''.

(3) BENEFIT VALUE.—Section 17(m)(5)(C)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(5)(C)(ii)) is amended by striking ''$20'' and inserting ''$30''.

(4) REAUTHORIZATION.—Section 17(m)(9)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)(A)) is amended by striking clause (i) and inserting the following:

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2004 through 2009.''.

(i) DEMONSTRATION PROJECT RELATING TO USE OF WIC PROGRAM FOR IDENTIFICATION AND ENROLLMENT OF CHILDREN IN CERTAIN HEALTH PROGRAMS.—

(1) IN GENERAL.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking subsection (r).

(2) CONFORMING AMENDMENT.—Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is amended by striking subsection (p).

**SEC. 204. LOCAL WELLNESS POLICY.**

(a) IN GENERAL.—Not later than the first day of the school year beginning after June 30, 2006, each local educational agency participating in a program authorized by the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall establish a local school wellness policy for schools under the local educational agency that, at a minimum—

(1) includes goals for nutrition education, physical activity, and other school-based activities that are designed to promote student wellness in a manner that the local educational agency determines is appropriate;

(2) includes nutrition guidelines selected by the local educational agency for all foods available on each school campus under the local educational agency during the school day with the objectives of promoting student health and reducing childhood obesity;

(3) provides an assurance that guidelines for reimbursable school meals shall not be less restrictive than regulations and guidance issued by the Secretary of Agriculture pursuant to subsections (a) and (b) of section 10 of the Child Nutrition Act (42 U.S.C. 1779) and sections 9(f)(1) and 17(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(1), 1766(a)), as those regulations and guidance apply to schools;

(4) establishes a plan for measuring implementation of the local wellness policy, including designation of 1 or more persons within the local educational agency or at each school, as appropriate, charged with operational responsibility for ensuring that the school meets the local wellness policy; and

(5) involves parents, students, representatives of the school food authority, the school board, school administrators, and the public in the development of the school wellness policy.

(b) TECHNICAL ASSISTANCE AND BEST PRACTICES.—

(1) IN GENERAL.—The Secretary, in coordination with the Secretary of Education and in consultation with the Secretary of Health and Human Services, acting through the Centers for Disease Control and Prevention, shall make available to local educational agencies, school food authorities, and State educational agencies, on request, information and technical assistance for use in—

(A) establishing healthy school nutrition environments;

(B) reducing childhood obesity; and

(C) preventing diet-related chronic diseases.

(2) CONTENT.—Technical assistance provided by the Secretary under this subsection shall—

(A) include relevant and applicable examples of schools and local educational agencies that have taken steps to offer healthy options for foods sold or served in schools;

(B) include such other technical assistance as is required to carry out the goals of promoting sound nutrition and establishing healthy school nutrition environments that are consistent with this section;

(C) be provided in such a manner as to be consistent with the specific needs and requirements of local educational agencies; and

(D) be for guidance purposes only and not be construed as binding or as a mandate to schools, local educational agencies, school food authorities, or State educational agencies.

(3) FUNDING.—

(A) IN GENERAL.—On July 1, 2006, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection $4,000,000, to remain available until September 30, 2009.

(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

**SEC. 205. TEAM NUTRITION NETWORK.**

(a) TEAM NUTRITION NETWORK.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended to read as follows:

**''SEC. 19. TEAM NUTRITION NETWORK.**

''(a) PURPOSES.—The purposes of the team nutrition network are—

''(1) to establish State systems to promote the nutritional health of school children of the United States through nutrition education and the use of team nutrition messages and material developed by the Secretary, and to encourage regular physical activity and other activities that support healthy lifestyles for children, including those based on the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

''(2) to provide assistance to States for the development of comprehensive and integrated nutrition education and active living programs in schools and facilities that participate in child nutrition programs;

''(3) to provide training and technical assistance and disseminate team nutrition messages to States, school and community nutrition programs, and child nutrition food service professionals;

''(4) to coordinate and collaborate with other nutrition education and active living programs that share similar goals and purposes; and

''(5) to identify and share innovative programs with demonstrated effectiveness in helping children to maintain a healthy weight by enhancing student understanding of healthful eating patterns and the importance of regular physical activity.

''(b) DEFINITION OF TEAM NUTRITION NETWORK.—In this section, the term 'team nutrition network' means a statewide multidisciplinary program for children to promote healthy eating and physical activity based on scientifically valid information and sound educational, social, and marketing principles.

''(c) GRANTS.—

''(1) IN GENERAL.—Subject to the availability of funds for use in carrying out this section, in addition to any other funds made available to the Secretary for team nutrition purposes, the Secretary, in consultation with the Secretary of Education, may make grants to State agencies for each fiscal year, in accordance with this section, to establish team nutrition networks to promote nutrition education through—

''(A) the use of team nutrition network messages and other scientifically based information; and

''(B) the promotion of active lifestyles.

''(2) FORM.—A portion of the grants provided under this subsection may be in the form of competitive grants.

''(3) FUNDS FROM NONGOVERNMENTAL SOURCES.—In carrying out this subsection,

the Secretary may accept cash contributions from nongovernmental organizations made expressly to further the purposes of this section, to be managed by the Food and Nutrition Service, for use by the Secretary and the States in carrying out this section.

''(d) ALLOCATION.—Subject to the availability of funds for use in carrying out this section, the total amount of funds made available for a fiscal year for grants under this section shall equal not more than the sum of—

''(1) the product obtained by multiplying ½ cent by the number of lunches reimbursed through food service programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) during the second preceding fiscal year in schools, institutions, and service institutions that participate in the food service programs; and

''(2) the total value of funds received by the Secretary in support of this section from nongovernmental sources.

''(e) REQUIREMENTS FOR STATE PARTICIPATION.—To be eligible to receive a grant under this section, a State agency shall submit to the Secretary a plan that—

''(1) is subject to approval by the Secretary; and

''(2) is submitted at such time and in such manner, and that contains such information, as the Secretary may require, including—

''(A) a description of the goals and proposed State plan for addressing the health and other consequences of children who are at risk of becoming overweight or obese;

''(B) an analysis of the means by which the State agency will use and disseminate the team nutrition messages and material developed by the Secretary;

''(C) an explanation of the ways in which the State agency will use the funds from the grant to work toward the goals required under subparagraph (A), and to promote healthy eating and physical activity and fitness in schools throughout the State;

''(D) a description of the ways in which the State team nutrition network messages and activities will be coordinated at the State level with other health promotion and education activities;

''(E) a description of the consultative process that the State agency employed in the development of the model nutrition and physical activity programs, including consultations with individuals and organizations with expertise in promoting public health, nutrition, or physical activity;

''(F) a description of how the State agency will evaluate the effectiveness of each program developed by the State agency;

''(G) an annual summary of the team nutrition network activities;

''(H) a description of the ways in which the total school environment will support healthy eating and physical activity; and

''(I) a description of how all communications to parents and legal guardians of students who are members of a household receiving or applying for assistance under the program shall be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and legal guardians can understand.

''(f) STATE COORDINATOR.—Each State that receives a grant under this section shall appoint a team nutrition network coordinator who shall—

''(1) administer and coordinate the team nutrition network within and across schools, school food authorities, and other child nutrition program providers in the State; and

''(2) coordinate activities of the Secretary, acting through the Food and Nutrition Service, and State agencies responsible for other children's health, education, and wellness programs to implement a comprehensive, coordinated team nutrition network program.

''(g) AUTHORIZED ACTIVITIES.—A State agency that receives a grant under this section may use funds from the grant—

''(1)(A) to collect, analyze, and disseminate data regarding the extent to which children and youths in the State are overweight, physically inactive, or otherwise suffering from nutrition-related deficiencies or disease conditions; and

''(B) to identify the programs and services available to meet those needs;

''(2) to implement model elementary and secondary education curricula using team nutrition network messages and material developed by the Secretary to create a comprehensive, coordinated nutrition and physical fitness awareness and obesity prevention program;

''(3) to implement pilot projects in schools to promote physical activity and to enhance the nutritional status of students;

''(4) to improve access to local foods through farm-to-cafeteria activities that may include the acquisition of food and the provision of training and education;

''(5) to implement State guidelines in health (including nutrition education and physical education guidelines) and to emphasize regular physical activity during school hours;

''(6) to establish healthy eating and lifestyle policies in schools;

''(7) to provide training and technical assistance to teachers and school food service professionals consistent with the purposes of this section;

''(8) to collaborate with public and private organizations, including community-based organizations, State medical associations, and public health groups, to develop and implement nutrition and physical education programs targeting lower income children, ethnic minorities, and youth at a greater risk for obesity.

''(h) LOCAL NUTRITION AND PHYSICAL ACTIVITY GRANTS.—

''(1) IN GENERAL.—Subject to the availability of funds to carry out this subsection, the Secretary, in consultation with the Secretary of Education, shall provide assistance to selected local educational agencies to create healthy school nutrition environments, promote healthy eating habits, and increase physical activity, consistent with the Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341), among elementary and secondary education students.

''(2) SELECTION OF SCHOOLS.—In selecting local educational agencies for grants under this subsection, the Secretary shall—

''(A) provide for the equitable distribution of grants among—

''(i) urban, suburban, and rural schools; and

''(ii) schools with varying family income levels;

''(B) consider factors that affect need, including local educational agencies with significant minority or low-income student populations; and

''(C) establish a process that allows the Secretary to conduct an evaluation of how funds were used.

''(3) REQUIREMENT FOR PARTICIPATION.—To be eligible to receive assistance under this subsection, a local educational agency shall, in consultation with individuals who possess education or experience appropriate for representing the general field of public health, including nutrition and fitness professionals, submit to the Secretary an application that shall include—

''(A) a description of the need of the local educational agency for a nutrition and physical activity program, including an assessment of the nutritional environment of the school;

''(B) a description of how the proposed project will improve health and nutrition through education and increased access to physical activity;

''(C) a description of how the proposed project will be aligned with the local wellness policy required under section 204 of the Child Nutrition and WIC Reauthorization Act of 2004;

''(D) a description of how funds under this subsection will be coordinated with other programs under this Act, the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), or other Acts, as appropriate, to improve student health and nutrition;

''(E) a statement of the measurable goals of the local educational agency for nutrition and physical education programs and promotion;

''(F) a description of the procedures the agency will use to assess and publicly report progress toward meeting those goals; and

''(G) a description of how communications to parents and guardians of participating students regarding the activities under this subsection shall be in an understandable and uniform format, and, to the extent maximum practicable, in a language that parents can understand.

''(4) DURATION.—Subject to the availability of funds made available to carry out this subsection, a local educational agency receiving assistance under this subsection shall conduct the project during a period of 3 successive school years beginning with the initial fiscal year for which the local educational agency receives funds.

''(5) AUTHORIZED ACTIVITIES.—An eligible applicant that receives assistance under this subsection—

''(A) shall use funds provided to—

''(i) promote healthy eating through the development and implementation of nutrition education programs and curricula based on the Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

''(ii) increase opportunities for physical activity through after school programs, athletics, intramural activities, and recess; and

''(B) may use funds provided to—

''(i) educate parents and students about the relationship of a poor diet and inactivity to obesity and other health problems;

''(ii) develop and implement physical education programs that promote fitness and lifelong activity;

''(iii) provide training and technical assistance to food service professionals to develop more appealing, nutritious menus and recipes;

''(iv) incorporate nutrition education into physical education, health education, and after school programs, including athletics;

''(v) involve parents, nutrition professionals, food service staff, educators, community leaders, and other interested parties in assessing the food options in the school environment and developing and implementing an action plan to promote a balanced and healthy diet;

''(vi) provide nutrient content or nutrition information on meals served through the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program established by section 4 of this Act and items sold a la carte during meal times;

''(vii) encourage the increased consumption of a variety of healthy foods, including fruits, vegetables, whole grains, and low-fat dairy products, through new initiatives to creatively market healthful foods, such as salad bars and fruit bars;

''(viii) offer healthy food choices outside program meals, including by making low-fat and nutrient dense options available in vending machines, school stores, and other venues; and

''(ix) provide nutrition education, including sports nutrition education, for teachers, coaches, food service staff, athletic trainers, and school nurses.

''(6) REPORT.—Not later than 18 months after completion of the projects and evaluations under this subsection, the Secretary shall—

''(A) submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Agriculture, Nutrition and Forestry of the Senate a report describing the results of the evaluation under this subsection; and

''(B) make the report available to the public, including through the Internet.

''(i) NUTRITION EDUCATION SUPPORT.—In carrying out the purpose of this section to support nutrition education, the Secretary may provide for technical assistance and grants to improve the quality of school meals and access to local foods in schools and institutions.

''(j) LIMITATION.—Material prepared under this section regarding agricultural commodities, food, or beverages, must be factual and without bias.

''(k) TEAM NUTRITION NETWORK INDEPENDENT EVALUATION.—

''(1) IN GENERAL.—Subject to the availability of funds to carry out this subsection, the Secretary shall offer to enter into an agreement with an independent, nonpartisan, science-based research organization—

''(A) to conduct a comprehensive independent evaluation of the effectiveness of the team nutrition initiative and the team nutrition network under this section; and

''(B) to identify best practices by schools in—

''(i) improving student understanding of healthful eating patterns;

''(ii) engaging students in regular physical activity and improving physical fitness;

''(iii) reducing diabetes and obesity rates in school children;

''(iv) improving student nutrition behaviors on the school campus, including by increasing healthier meal choices by students, as evidenced by greater inclusion of fruits, vegetables, whole grains, and lean dairy and protein in meal and snack selections;

''(v) providing training and technical assistance for food service professionals resulting in the availability of healthy meals that appeal to ethnic and cultural taste preferences;

''(vi) linking meals programs to nutrition education activities;

''(vii) successfully involving parents, school administrators, the private sector, public health agencies, nonprofit organizations, and other community partners;

''(viii) ensuring the adequacy of time to eat during school meal periods; and

''(ix) successfully generating revenue through the sale of food items, while providing healthy options to students through vending, student stores, and other venues.

''(2) REPORT.—Not later than 3 years after funds are made available to carry out this subsection, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the findings of the independent evaluation.

''(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

(b) CONFORMING AMENDMENT.—Section 21(c)(2)(E) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(c)(2)(E)) is amended by striking '', including'' and all that follows through ''1966''.

**SEC. 206. REVIEW OF BEST PRACTICES IN THE BREAKFAST PROGRAM.**

(a) REVIEW.—

(1) IN GENERAL.—Subject to the availability of funds under subsection (c), the Secretary of Agriculture shall enter into an agreement with a research organization to collect and disseminate a review of best practices to assist school food authorities in addressing existing impediments at the State and local level that hinder the growth of the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(2) RECOMMENDATIONS.—The review shall describe model breakfast programs and offer recommendations for schools to overcome obstacles, including—

(A) the length of the school day;

(B) bus schedules; and

(C) potential increases in costs at the State and local level.

(b) DISSEMINATION.—Not later than 1 year after the date of enactment of this Act, the Secretary shall—

(1) make the review required under subsection (a) available to school food authorities via the Internet, including recommendations to improve participation in the school breakfast program; and

(2) transmit to Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the review.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

**TITLE III—COMMODITY DISTRIBUTION PROGRAMS**

**SEC. 301. COMMODITY DISTRIBUTION PROGRAMS.**

Section 15 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended by striking subsection (e).

**TITLE IV—MISCELLANEOUS**

**SEC. 401. SENSE OF CONGRESS REGARDING EFFORTS TO PREVENT AND REDUCE CHILDHOOD OBESITY.**

(a) FINDINGS.—Congress finds that—

(1) childhood obesity in the United States has reached critical proportions;

(2) childhood obesity is associated with numerous health risks and the incidence of chronic disease later in life;

(3) the prevention of obesity among children yields significant benefits in terms of preventing disease and the health care costs associated with such diseases;

(4) further scientific and medical data on the prevalence of childhood obesity is necessary in order to inform efforts to fight childhood obesity; and

(5) the State of Arkansas—

(A) is the first State in the United States to have a comprehensive statewide initiative to combat and prevent childhood obesity by—

(i) annually measuring the body mass index of public school children in the State from kindergarten through 12th grade; and

(ii) providing that information to the parents of each child with associated information about the health implications of the body mass index of the child;

(B) maintains, analyzes, and reports on annual and longitudinal body mass index data for the public school children in the State; and

(C) develops and implements appropriate interventions at the community and school level to address obesity, the risk of obesity, and the condition of being overweight, including efforts to encourage healthy eating habits and increased physical activity.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the State of Arkansas, in partnership with the University of Arkansas for Medical Sciences and the Arkansas Center for Health Improvement, should be commended for its leadership in combating childhood obesity; and

(2) the efforts of the State of Arkansas to implement a statewide initiative to combat and prevent childhood obesity are exemplary and could serve as a model for States across the United States.

**TITLE V—IMPLEMENTATION**

**SEC. 501. GUIDANCE AND REGULATIONS.**

(a) GUIDANCE.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall issue guidance to implement the amendments made by sections 102, 103, 104, 105, 106, 107, 111, 116, 119(c), 119(g), 120, 126(b), 126(c), 201, 203(a)(3), 203(b), 203(c)(5), 203(e)(3), 203(e)(4), 203(e)(5), 203(e)(6), 203(e)(7), 203(e)(10), and 203(h)(1).

(b) INTERIM FINAL REGULATIONS.—The Secretary may promulgate interim final regulations to implement the amendments described in subsection (a).

(c) REGULATIONS.—Not later than 2 years after the date of enactment of this Act, the Secretary shall promulgate final regulations to implement the amendments described in subsection (a).

**SEC. 502. EFFECTIVE DATES.**

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date of enactment of this Act.

(b) SPECIAL EFFECTIVE DATES.—

(1) JULY 1, 2004.—The amendments made by sections 106, 107, 126(c), and 201 take effect on July 1, 2004.

(2) OCTOBER 1, 2004.—The amendments made by sections 119(c), 119(g), 202(a), 203(a), 203(b), 203(c)(1), 203(c)(5), 203(e)(5), 203(e)(8), 203(e)(10), 203(e)(13), 203(f), 203(h)(1), and 203(h)(2) take effect on October 1, 2004.

(3) JANUARY 1, 2005.—The amendments made by sections 116(f)(1) and 116(f)(3) take effect on January 1, 2005.

(4) JULY 1, 2005.—The amendments made by sections 102, 104, 105, 111, and 126(b) take effect on July 1, 2005.

(5) OCTOBER 1, 2005.—The amendments made by sections 116(d) and 203(e)(9) take effect on October 1, 2005.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 2507.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

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

## CONGRATULATING THE INTERIM GOVERNMENT OF IRAQ ON ITS FORTHCOMING ASSUMPTION OF SOVEREIGN AUTHORITY IN IRAQ

Mr. HYDE. Mr. Speaker, pursuant to the previous order of the House, and as the designee of the majority leader, I call up the resolution (H. Res. 691) congratulating the Interim Government of Iraq on its forthcoming assumption of sovereign authority in Iraq, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of H. Res. 691 is as follows:

H. RES. 691

Whereas in April 2003, the United States Armed Forces and other Coalition forces liberated the people of Iraq from the dictatorial regime of Saddam Hussein;

Whereas United Nations Security Council Resolution 1483 (May 22, 2003) and the laws and usages of war authorized the Coalition Provisional Authority to govern Iraq on a temporary basis;

Whereas the Coalition Provisional Authority established an Iraqi Governing Council, broadly representative of the major geographic, ethnic, and religious groupings of Iraq, as well as a Cabinet, to assist in the governing of Iraq, and the Council was recognized by many members of the international community as a legitimate voice of the Iraqi people;

Whereas the United States and other Coalition members, in response to the desire of the Iraqi people for early self-government, worked with the Iraqi Governing Council to accelerate the transfer of power to the Iraqi people, with sovereignty to be transferred no later than the end of June 2004;

Whereas the Coalition Provisional Authority and the Iraqi Governing Council on March 8, 2004, agreed upon a Law of Administration for the State of Iraq for the Transitional Period that strongly protects the civil and political rights of Iraqis;

Whereas that Law and its Annex provide for a transition of power to an Iraqi Interim Government, for elections by the end of January 2005, for a Transitional National Assembly, which shall form an Iraqi Transitional Government and provide for the drafting and adoption of a permanent constitution, and, by the end of 2005, for a government chosen under the new constitution;

Whereas the Iraqi people have begun electing local officials in parts of Iraq under Coalition auspices and will have the opportunity to express their will in free and meaningful national elections for the first time in Iraq's history;

Whereas the United Nations Secretary General appointed a Special Adviser to conduct political consultations aimed at putting in place an Interim Government to assume sovereignty over Iraq;

Whereas the Iraqi Governing Council made recommendations about the composition of the Interim Government, after which, when the recommendations were accepted by the Coalition Provisional Authority, the Council dissolved itself;

Whereas on June 8, 2004, the United Nations Security Council unanimously adopted Resolution 1546, welcoming the formation and forthcoming ''assumption of full responsibility and authority by a fully sovereign and independent Interim Government of Iraq'' and authorizing the multinational force under unified command to continue its activities;

Whereas the Coalition Provisional Authority will dissolve at the end of June 2004 and will not be replaced;

Whereas members of the United States Armed Forces, a total force consisting of active, reserve, and National Guard personnel, have performed their mission with great skill and courage, in the process being awarded at least 18 Distinguished Service Crosses, 6 Distinguished Flying Crosses, 133 Silver Stars, 16,551 Bronze Stars, and 4,161 Purple Hearts;

Whereas, as of June 23, 2004, 833 members of the United States Armed Forces, approximately 100 members of the Coalition forces, and many members of the Iraqi security services, have given their lives to advance the cause of liberty in Iraq, and thousands of members of the United States Armed Forces and Coalition forces, and many members of the Iraqi security services, have suffered wounds for that cause;

Whereas the families of American soldiers, sailors, airmen, Marines, and Coast Guardsmen have made and continue to make enormous sacrifices for their country;

Whereas in addition, Coalition forces, civilians employed by or assisting the Coalition Provisional Authority, the Iraqi government and its employees, international organizations, and American and other international volunteers, as well as large numbers of Iraqis, have made and continue to make enormous efforts to reconstruct the country and improve the lives of the Iraqi people;

Whereas Ambassador L. Paul Bremer, III, Presidential Envoy to Iraq and Administrator of the Coalition Provisional Authority, has ably advanced the international coalition's goals in Iraq of transforming Iraq into a safe, secure, stable, sovereign, democratic state that serves the interests of the Iraqi people;

Whereas the United States will be represented in Iraq by an Embassy led by Ambassador John D. Negroponte, and the United States will deal with the Government of Iraq on the basis of the sovereign equality of states under international law, including the Vienna Convention on Diplomatic Relations, to which both the United States and Iraq are parties;

Whereas after June 30, 2004, the Interim Government of Iraq and its successors, and United States Armed Forces and Coalition forces, will cooperate to meet ongoing security challenges and to extend security and stability to all regions of Iraq; and

Whereas the United States has never desired to exercise permanent sovereignty over Iraq and welcomes the formation of the Iraqi Interim Government and its imminent assumption of authority: Now, therefore, be it—

*Resolved,* That the House of Representatives—

(1) congratulates the Interim Government of Iraq on its forthcoming assumption of sovereign authority in Iraq;

(2) offers its continued support to the people and government of Iraq as they deal with the consequences of decades of misrule by the former regime of Saddam Hussein;

(3) expresses its gratitude to the United States Armed Forces for their ongoing valiant service to their country and commitment to the highest ideals and traditions of the American people;

(4) expresses its gratitude to the families of United States Armed Forces personnel, especially the families of those who have lost loved ones in Operation Iraqi Freedom and of those wounded in the service of their country, for their sacrifices;

(5) expresses its condolences to the families of the innocent Iraqis who have been killed or wounded during the conflict, including those who were victimized by the illegal and terrorist tactics of the enemy, and despite the concerted efforts by the Coalition forces to minimize civilian casualties;

(6) expresses its gratitude to the Coalition forces, the Coalition Provisional Authority, the Iraqi Governing Council, the current Iraqi cabinet and government officials, and the many international bodies and voluntary organizations which have come to the aid of the people of Iraq in an effort to help them address the consequences of decades of misrule by the former regime of Saddam Hussein, as well as to the families of those mentioned in this paragraph, who have been lost in Iraq;

(7) offers its continued support to the United States Armed Forces, civilians associated with the United States Government, Coalition forces, and Iraqi security forces who continue to bear the burden of attacks from former regime elements, foreign and Iraqi terrorists, and other criminals who are attempting to undermine the interests of the Iraqi people and thwart their evident desire to live in peace;

(8) calls on the entire international community to promote the welfare of the Iraqi people by rendering, in addition to the generous assistance provided by the American people and, in varying degrees, by some nations, immediate, tangible, and generous assistance to the Iraqi people in the reconstruction of their nation, including, in response to requests from the Iraqi government coordinated with the command of the multinational forces, forces capable of assisting in the provision of security to the Iraqi people;

(9) reaffirms—

(A) that the United States Armed Forces operating in Iraq after June 30, 2004, will remain under the full authority, direction, and control of their American commanders; and

(B) the need to ensure that such Armed Forces will possess all necessary authority to fulfill their mission effectively and to provide for their operational safety; and

(10) urges the people of the United States and of other countries to celebrate the restoration of freedom to the people of Iraq through the efforts of the peoples of the United States, the Coalition, and Iraq.

The SPEAKER pro tempore. Pursuant to the order of the House of Wednesday, June 24, 2004, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. Mr. Speaker, I thank my esteemed chairman for yielding me time.

□ 1445

I rise in strong support of this resolution.

On June 30, as all of us know, Iraq will assume control of its own destiny. Iraq will enter the post-Saddam era with the hope of the world resting upon them. No longer will the Iraqi people be subjected to a climate of fear and desperation. Saddam's murderous,

thieving cronies have been removed. Uday and Qusay's henchmen likewise will no longer be free to roam the streets, terrorizing people.

The challenge now for the Iraqi people and their new government is to set their future on a course of open thought, popular choice for their leaders, and freedom of action in which to conduct their lives.

The Iraqi people understand that with this new-found freedom comes responsibility, a responsibility to remember the interests of all Iraqis. Each and every Iraqi has a stake in that Nation's future, and now, with our transfer of sovereignty to them, that stake can be fully realized.

We are honored to have played a role in empowering the Iraqi people and supporting them in their efforts to rebuild their country after decades of corruption and oppression. They have the opportunity to make their Nation a shining light for all to see, not only in the Middle East, but around the world. A nation filled with talent beyond imagination, Iraq can create a climate of freedom and opportunities for others to emulate.

Yes, problems have arisen. Yet, we must acknowledge the positive developments that could not have happened without the brave men and women of the United States military and our allies. Through their courage, commitment, and sacrifice, we have managed to free an enslaved people. We have brought down a tyrant who has killed as many as 1 million of his own people. Thus, history will record that the United States brought a beacon of light and hope to a people that had only known misery, suffering, and brutality under Saddam Hussein.

The future will judge us to have done right by the Iraqi people, and for our own Nation as well.

We are, however, not naive about the challenges that lie ahead. Freedom and democracy take time and hard work. They take vigilance and dedication, dedication to truth and commitment to justice. These are things that come with patience.

The terrorists want to deprive the Iraqi people of their future, but Iraq can and will prevail. Iraq's chance is now. Let us stand by the Iraqi people as they struggle to enjoy these rights and liberties that they were denied for so very long. Let us be motivated by the knowledge that we have helped make the world a better place for the Iraqi people and for all.

As our beloved former President Ronald Wilson Reagan would say, ''You and I have a rendezvous with destiny. If we fail, at least let our children and our children's children say of us, we justified our brief moment here. We did all that could be done,'' and that we have done for the Iraqi people.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of H. Res. 691.

On June 30, a momentous date in the history of Iraq, after 45 years of dictatorship and one year of occupation, a sovereign government representative of the Iraqi people is about to assume power in Baghdad. We take justifiable pride in the U.S. role in achieving that milestone, and we pay tribute to our soldiers who have achieved this incredible feat.

But there is no fooling ourselves, Mr. Speaker. The Iraq that Prime Minister Iyad al-Alawi and his colleagues will inherit is far from stable and it is far from prosperous, nor is it ready to assume full responsibility for its Nation's security. For the United States, the challenges of ensuring security, promoting reconstruction, and fostering liberal and decent governance will continue essentially unchanged for now. Whether we and the Iraqis look back at June 30, 2004 as an historic turning point for the good will be determined by our joint ability to meet those ongoing and gigantic challenges.

Mr. Speaker, developments on our home front encourage the hope that we can meet those challenges, as the positions on Iraq taken by leaders of both of our parties are fundamentally congruent. The administration has shown signs that it is willing to alter the course when necessary in order to get the job done. I am pleased that the President embraced the wisdom of acknowledging a major role for the United Nations. As a result of the United Nations unanimously-adopted resolution, the soon-to-be sovereign Iraqi government will have far greater domestic and international legitimacy than otherwise it would have.

I think it is important to underscore that the likely nominee of the Democratic Party for president, Senator KERRY, shares the basic vision, and I quote: ''While we may have differed on how we went to war, Americans of all political persuasions are united in our determination to succeed. The extremists attacking our forces should know that they will not succeed in dividing America, or in sapping American resolve, or in forcing the premature withdrawal of U.S. troops. Our country is committed to help the Iraqis build a stable, peaceful, and pluralistic society.''

The most important line in my quotation from Senator KERRY is as follows: ''No matter who is elected President in November, we will persevere in that mission.''

Mr. Speaker, success in Iraq is a bipartisan, national interest. Not only is the credibility of the United States at stake in the region and around the globe, but an Iraq collapsing into chaos would be a heart of darkness in the Middle East.

Mr. Speaker, Senator KERRY and President Bush are also on the same page in calling on our NATO allies to show solidarity by reinforcing our efforts in Iraq. Even though NATO nations may not have many deployable troops to spare, there is nevertheless much that they can do to. And the opportunity for NATO to make these important decisions in the highest-profile manner possible will present itself next week at the NATO summit in Istanbul.

As the NATO Secretary General said, we have a Security Council resolution, a fully legitimate interim government in Iraq; NATO has no excuse to slam the door in Iraq's face.

NATO States can and must provide training for the new Iraqi Army, and they should do so in Iraq itself without requiring Iraqi troops to go to a third country as some are suggesting.

One of the most brilliant of our military leaders, General David Petraeus, is leading the U.S. effort to train Iraqi forces, and his presence in that role should give all of us confidence in our ultimate success. But building a fighting force capable of defeating Iraq's fundamentalists and Saddamist thugs is a mammoth undertaking. NATO nations are ideally positioned to support the efforts of General Petraeus.

NATO troops can provide election security to support the all-important Iraqi elections in January. If Iraq is to hold its first free and democratic elections in its history, security is paramount.

Mr. Speaker, let us be clear. The European members of NATO, all of them, should not contribute to Iraq's security as a favor to us, even though the peace and prosperity that reigns in Europe today was won with American blood and American treasure. They should do it as a favor to themselves but, most importantly, to the Iraqi people. Europe's stake in the stability of Iraq and the Middle East is greater than our own. Europe borders the Middle East and is far more dependent on its energy resources than are we here in the United States.

Europe's moral credibility is also at stake in Iraq. For years, the States of the European Union, most of whom belong to NATO, have trumpeted their commitment to democracy. Now it is time for them to prove that this is more than rhetoric. When Iraqi President al-Yawar was in town recently, he told a group of us that the presence of European troops is crucial to Iraq. He emphasized that Iraq needs security forces from law-abiding societies where human rights are valuable to the people.

Mr. Speaker, Iraq is undertaking history's boldest experiment in trying to build a more free and open society. If Europe is not with us, its message to the Iraqi people and to the world is that it just does not care about democratic developments outside its borders.

I call on President Chirac and Chancellor Schroeder and other reluctant NATO leaders to stand up at the Istanbul summit and be counted on behalf of the Iraqi people and democratic values.

Mr. Speaker, we already have many fine allies, NATO and nonNATO alike, in our coalition in Iraq. Tony Blair's United Kingdom has shown extraordinary courage and leadership. South

Korea's determination was tested by tragedy just this week, and it proved itself a model of resolve. These nations are doing work from which all of Europe will benefit, and they too deserve Europe's, and that means NATO's, backing and help.

As the loyal opposition, we Democrats will continue to call this administration to account for its errors in Iraq. We will continue to offer constructive advice, as our duty demands, particularly from our position of oversight authority in the legislative branch. But all of us, Democrats and Republicans alike, are united in our commitment to achieving success in giving rise to a durable, pluralistic, more open and free society in Iraq.

It is not merely a simple matter of restoring sovereignty. George Bernard Shaw observed, ''Liberty means responsibility. That is why most men dread it.'' The new stewards of the sovereign Iraq will prove that they are up to the task. As they do, we want them to know that we will stand by them.

Mr. Speaker, I strongly support this resolution, and I urge all of my colleagues to do so.

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

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

Mr. Speaker, we live indeed in a very historic moment in history, and our world is engulfed in conflict of a very new and terrible kind. But it is remarkably consoling to come together today in unity, and we are certainly in bipartisan unity, on a resolution taking note of some very important accomplishments in the quest for freedom in the near east.

This resolution is cosponsored by the gentleman from California (Mr. LANTOS) as the ranking Democrat on the Committee on International Relations; the gentleman from California (Mr. HUNTER), the chairman of the Committee on Armed Services; the gentleman from Missouri (Mr. SKELTON), the ranking Democrat on that committee, as well as myself.

□ 1500

And that sponsorship should indicate the fact that there is agreement on the very important points made in this resolution. There is a new sovereign interim Iraqi government that is assuming power. Provincial governments are governing, courts are dispensing justice, political parties are forming, civil society is emerging, and independent media is operating, and preparations are being made for nationwide elections.

The interim Constitution states that Iraq's system of government will be republican, federal, democratic, and pluralistic and that federalism will be based on geography, history, and the separation of powers, not on ethnicity or sect.

On July 1, a new day will dawn on Iraq's future. Iraq will no longer be about the United States and its occupying role. Rather, it will be about the new self-governing Iraq and the decisions Iraq's leaders will be making in order to further the democratic ideals and principles.

This resolution, as I say, is bipartisan. It congratulates the interim government of Iraq on its forthcoming assumption of sovereign authority. It expresses its gratitude to the United States Armed Forces on their valiant service to their country, expresses its gratitude to the families of United States Armed Forces personnel, especially families of those who have lost loved ones. It expresses its condolences to the families of the innocent Iraqis who have been killed or wounded. It expresses gratitude to the coalition forces, the Coalition Provisional Authority, the Iraqi Governing Council, the current Iraqi cabinet government officials, and the many international bodies and voluntary organizations which have come to the aid of the people of Iraq.

It offers continued support to the U.S. Armed Forces, civilians associated with the U.S. Government, coalition forces, Iraqi security forces, and all of the people who are collaborating and making Iraq a new and democratic state.

So this is something that I cannot imagine anybody not being proud to vote for. And I look forward to an affirmative vote.

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

Mr. LANTOS. Mr. Speaker, before recognizing our next speaker, I want to pay tribute to the gentleman from Illinois (Chairman HYDE) for his leadership on this resolution and on this entire issue.

Mr. Speaker, I yield 2 minutes to my colleague, the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, first let me thank our chairman, the gentleman from Illinois (Mr. HYDE), and our ranking member, the gentleman from California (Mr. LANTOS), for their leadership on the Committee on International Relations, a committee on which I am proud to serve, and for their consistent efforts to ensure that there is bipartisanship in this body and our committee.

Let me just say to them today that I respectfully rise to disagree with them on this issue. This resolution does, however, express condolences to the families of the dead soldiers and innocent Iraqis who have been killed in Iraq. Today, unfortunately, many more lives were lost. My thoughts and my prayers go out to these families and the families of all of those who have been wounded in this unnecessary war.

As a daughter of a career military officer, I know what it means to support our troops, and I do. However, this resolution paints a totally false picture of the situation in Iraq, the fact that it ignores the blamelessness of the President's claims that led us into this unjust war, and that it endorses a failed Bush policy in Iraq.

As an example of what I mean, let me just draw my colleagues' attention to page 4, the third paragraph down which says, ''Paul Bremer, the administrator of the Coalition Provisional Authority, has ably advanced the international coalition's goals in Iraq of transforming Iraq into a safe, secure, stable, sovereign, democratic state that serves the interests of the Iraqi people.''

This resolution also commits our troops to an indefinite period of time in Iraq.

Mr. Speaker, this undue praise flies in the face of reality on the ground. Again, as I said earlier, just today it is reported that 92 people have lost their lives including three United States soldiers and more than 320 people wounded.

Moreover, this resolution completely ignores the false basis for the war and its cost. It also leaves out the fact that we were misled regarding the weapons of mass destruction and the alleged cooperation between al Qaeda and Iraq as it relates to 9/11. It makes it sound as if the occupation and the aftermath of this unjust war is a success.

Again, that ignores reality. We had choices; we had options. I offered an amendment that would authorize the United Nations to continue with this inspection process. Unfortunately, that failed. Now we have a resolution that celebrates the war. I respectfully disagree, and I must vote against it.

Mr. HYDE. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. HUNTER), the distinguished chairman of the Committee on Armed Services, the cosponsor of the bill.

Mr. HUNTER. Mr. Speaker, I want to congratulate the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for their wonderful bipartisan effort in putting this together and also my great colleague from the Committee on Armed Services, my partner, the gentleman from Missouri (Mr. SKELTON), for his work and contribution.

I will be very brief, but there are two messages in this resolution. I think it is appropriate that this resolution follows the funding of our Defense bills and our Intelligence bills because those are the bills that give our forces the tools to get the job done.

I think we have done an excellent job in putting together bills that give the force protection, the surveillance capability, the extra troops that are going to be needed over the next several years, and the funding for those troops, and particularly that $25 billion bolt-on that we did on the Defense authorization bill and the Defense appropriations bill.

So it is appropriate that this resolution, this message to the people of Iraq and the people of the United States, follow those funding bills because this is a very important message that the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) and the gentleman from Missouri (Mr. SKELTON) and many others are sending.

The message to the American people can be found in this resolution that the command of American forces will remain with American commanders. That is very important to moms and dads and people who care about our uniformed people, that that chain of command will remain firmly in place, that we will continue to pursue our mission against terrorists, and that operation will be overseen and supervised by U.S. leaders. That is a very important message.

But to the Iraqi people there is also a message, and the message is that we are giving them a running start. We are handing over a country divested now of the leadership of Saddam Hussein. We are handing over to them a chance to maintain freedom in a very, very difficult part of the world. We are going to provide for them this military shield just as we have in other countries around the world as they stand up this free government.

But I think it is important for the Iraqi people to understand that too, and I think they do understand it, that this enduring, the endurance of this government in a very difficult neighborhood is going to require some real grit on the part of the Iraqi people and that no country, not our country, not any country, is guaranteed perpetual freedom.

We are giving them a running start. We have given them the sacrifice of many brave Americans and the continued sacrifice right through this day in terms of Americans KIA, killed in action, and wounded in action, as well as coalition partners, as well as many Iraqis. But they are going to have to take hold, and they are going to have to be able to lift that weight.

I hope that under the good leadership that is now forming, that is taking over on the 30th of this month, they are going to be able to make that transition. This is only when the Americans were in Iraq, one thing that can be said from the dawn of time until the end of time, only when the American came to Iraq did they have a chance to have a free and fair government. We are giving them this chance.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Missouri (Mr. SKELTON), the distinguished ranking member of the Committee on Armed Services.

Mr. SKELTON. Mr. Speaker, I appreciate the opportunity to follow my friend from California (Mr. HUNTER) in supporting this resolution. And I thank the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Chairman HYDE) for cosponsoring this, and I am a cosponsor along with you.

June 30 should be a proud day for the Iraqi people, but one for which they are continuing to pay a heavy price. Today's coordinated bloody attacks demonstrate how much of a challenge they still face.

We congratulate the interim Iraqi government on the upcoming assumption of sovereignty. This is a great step, a real step toward a permanent government elected by the Iraqi people. I sincerely hope it works. Lasting peace and political progress will only come when Iraq is secure. This will remain an ongoing partnership between American forces and Iraqis for a long time.

I commend our troops; I commend their families. They have given so much and are feeling the real meaning of sacrifice every day. Deputy Secretary Paul Wolfowitz confirmed to our Committee on Armed Services this week that our troops could be in Iraq for years.

We need a plan for our partnership with the Iraqis, to move the security of their country to them as soon as they are ready. Until then, I commend this resolution for its reiteration of the full authority of the U.S. commanders in Iraq over American forces. That is so important. I feel strongly that we should have a status of forces agreement. Without it, we need at least a clear statement that our commanders can do what they must do to protect our troops and accomplish their mission.

I join my colleagues in congratulating the Iraqi people. I urge strong support for this resolution.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Massachusetts (Mr. FRANK), my good friend.

Mr. FRANK of Massachusetts. Mr. Speaker, I know that this is being carried on C–SPAN, but I think we should broaden our broadcast efforts. When we did the tax bill last week, I thought eBay should have been transmitting it. Today I think it really belongs on the Cartoon Network.

There is much in this resolution I agree with, but what is most important is what is left out. The gentleman from California, a very distinguished and thoughtful legislator, although, unfortunately, in the minority and not in a position to write resolutions, said that it is our democratic responsibility to express legitimate criticisms of the administration. I agree. Sadly, because the majority is in control, there are none of them in this resolution.

This resolution is a cartoon. It describes an Iraq that resembles nothing as much as Brigadoon. I expect maybe it will appear once every hundred years. I agree with many of the aspirations of this resolution. I agree that our troops deserve credit for the terrible situation in which they have been put. But if one read this resolution and had not read the newspapers or watched television about Iraq, one would not know what country was being discussed.

The gentlewoman from California alluded to our congratulating Mr. Bremer for ably advancing the goals of making Iraq safe, secure, stable, sovereign, and democratic. The Iraq that is safe, secure, stable, sovereign, and democratic, are there two countries named Iraq? Is this Iraq anywhere near the Iraq that we have been worried about? I wish Iraq could become that. But to congratulate ourselves as if it already had is simply not accurate.

I am troubled by the procedures we are seeing. The majority obviously feels concerned that the public no longer shares its view so they have decided to legislate opinion. They have a pattern now of coming forward with resolutions which include some things Members agree with, like support for our troops and aspirations, and then they wrap into that a lot of misrepresentative, inaccurate descriptions of reality and then demand that people vote it. We are told if we do not vote for a resolution that talks about Iraq as a safe, secure, stable, sovereign, democratic state, that somehow we are not in favor of the troops. It is a misrepresentation of the situation of Iraq, and a grievous misuse of the legislative process.

□ 1515

Mr. HYDE. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. MCCOTTER).

Mr. MCCOTTER. Mr. Speaker, we are daily inundated with the rhetoric of terrorists selling their singular savagery to the world as revolution. Yet, when did we cease to be a revolutionary country? Never.

One look about this weary, wanting world sufficiently reminds us it is we, the Americans, who were, are and continued throughout our democracy always must be the embodiment of the revolutionary ideals, powering the emancipation of populations throughout the globe.

Thus, today is this resolution offered and its adoption urged in order that we might hearten our Iraqi allies in this dark hour before the dawn of their democracy, in order that we might unmask the archaic barbarians of evil and find, not revolutionaries, but lying reactionaries; and, finally, hopefully, in order that we might recall our own indispensable, indisputable revolutionary role in the advancement of man.

Let us, then, pass this resolution and duly honor our revolutionary brethren, the Iraqi people, upon the occasion of the assumption of their sovereignty and the advancement toward their democracy, which like ourselves since our inception, they must win and keep.

I urge support of the resolution.

Mr. LANTOS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. KUCINICH), my friend and a distinguished colleague.

Mr. KUCINICH. Mr. Speaker, the gentleman from Massachusetts (Mr. FRANK) has pointed out that this resolution is being covered by C–SPAN. I would suggest it ought to be covered by the Science Fiction Network. Let us not be fooled by this bill, which endorses an illegal war which this Nation entered into based on lies and misrepresentation. Lest we forget, Iraq

had nothing to do with 9/11, with al Qaeda's role in 9/11. Iraq had no weapons of mass destruction. It was wrong to go in, and it is wrong to stay in. The June 30 sovereignty this resolution discusses is a hoax. What kind of sovereignty will Iraq have with 130,000 U.S. troops present? What kind of sovereignty does Iraq have when the U.S. is now selling Iraqi oil and spending the money as it sees fit?

This bill states that we are handing Iraq a safe, secure and stable state. In effect, it declares a desert an oasis, a swamp a garden, a lie the truth.

The continued U.S. occupation of Iraq will not end on June 30, and it is counterproductive. Make no mistake about it, when July 1 comes, the violence will continue, the attacks will not stop, and our troops will still be in harm's way. It is time for us to recognize the Nation went down the wrong path in Iraq. The policy is unsustainable and it is a failure. We cannot continue with it. It is time for a peace plan with an exit strategy. It is time for us to get the U.N. community involved and to bring our troops home. U.N. in, U.S. out.

We should not be fooled. We should vote against this resolution, and we should be looking towards bringing this Congress together with a new direction to truly have a peace plan with an exit strategy. This resolution does not do this. This resolution is a farce and should be defeated.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of H. Res. 691, and I would like to congratulate the gentleman from Illinois (Mr. HYDE) for the leadership that he has provided and the gentleman from California (Mr. LANTOS) for the leadership that he has provided in not only this piece of legislation but in guiding our country through a very delicate moment of history.

Mr. Speaker, ladies and gentlemen, and my colleagues, we are Americans. We are not Republicans. We are not Democrats. We are Americans today. Our country is at war with a force, a hostile force that hates everything that we stand for. That the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Mr. HYDE) of both parties are united in supporting this historic effort to defeat an enemy which would slaughter our people before our eyes and cut the heads off of American citizens and try to intimidate our entire Nation in order to make us cowards, the fact that we stand together is the one thing that gives us strength.

H. Res. 691 reaffirms that we Americans are standing together behind the central purpose of the operation in Iraq, which is nothing more or nothing less than providing the Iraqi people the means to determine their own destiny through the ballot box; and by taking this stand, we take a stand for democracy that will be available to those in the Islamic world. It is a strategic move on our part but, yet, something totally consistent with our values as a people, as the American people.

Thus, it is fitting today that we stand, as I say, not as Republicans and Democrats, but we stand behind our President and this noble effort in Iraq to get rid of a tyrant who slaughtered hundreds of thousands of his people and help those people in Iraq establish a democratic government so that all our children will live at peace and this evil force of radical Islam that threatens us will be defeated.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. NADLER), our distinguished colleague.

Mr. NADLER. Mr. Speaker, these feel-good resolutions that we passed last night and are considering today do not change the facts. The facts are that this country is not united. It is very divided over this war. The facts are we did not invade Iraq for the purpose of instituting a democracy. We invaded Iraq because we were told that Iraq threatened us with weapons of mass destruction and that Iraq was responsible, to some extent, for collaborating with al Qaeda and producing the catastrophe of 9/11.

We were misled into Iraq by the administration that either lied to the American people or led us into war by use of falsehoods stated out of ignorance. We are told by this resolution that we are creating a sovereign Iraq now; and, yet, on page 7 of the resolution the American troops there remain under American command. That is a slight contradiction. How can Iraq be sovereign when we control the military over there?

We are told that we are creating a democratic Iraq. Anybody who knows anything knows we are not going to have a democratic Iraq for many years, maybe decades. We will be happy to figure out a way to get out of this quagmire without leaving behind mass chaos, civil war, communal slaughter and betraying the Kurds a third time. We also know that this war in Iraq is a diversion from the real war against the Islamic terrorists who thrust war upon us, a war we must fight but that we are being diverted from. We know that it is harder to take the necessary action, if it may be necessary, if a real nuclear threat of nuclear proliferation arises perhaps in Iran because we cried wolf in Iraq.

How will we persuade Congress or the American people that we have to do something real if a real threat arises, not a phantom threat that we reacted to?

Our actions in Abu Ghraib and perhaps elsewhere still to be properly investigated have shamed this Nation and engendered further hatred of the United States across the world. So let us not celebrate this catastrophe. Let us not pass resolutions that do not bear any relation to the world. Let us figure out how to get out of this catastrophe as best we can.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2 minutes to our distinguished colleague, the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, let me first say that I have a great deal of respect for both the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) and for the work that they do here, and there is much in this resolution with which I agree. However, there is a lot in here that is misleading. In fact, I think that much of this resolution is an exercise in self-deception as well as an attempt to deceive others.

Let me just give my colleagues an example. We have here on page 4, the House of Representatives offers its continued support to the people and government of Iraq as they deal with the consequences of decades of misrule by the former regime of Saddam Hussein.

Well, that is interesting and right, but it does not say that we supported that regime of Saddam Hussein. Saddam Hussein took office in 1980. It was not more than 3 years later that the government of President Reagan sent Donald Rumsfeld to Iraq to begin a relationship with that country, and the relationship resulted in the transfer of billions of dollars of American material and money to the government of Saddam Hussein right on up to the advent of the first Gulf War.

Why are we not talking about that in this resolution, how we supplied the government of Saddam Hussein with money, how we supplied the government of Saddam Hussein with both conventional, biological and chemical weapons from the United States, from France, from Germany and from Chile, all orchestrated by the government under the administration of Ronald Reagan and George H.W. Bush? Why are we not talking about that in this resolution?

We are giving our sympathy and our condolences to the innocent people who were killed in Iraq. What about the innocent people who were killed unnecessarily as a result of this unjust, unnecessary war?

This is a war that will be a rock around the neck of this country for decades. It will be a long time before we get over the results of this. That is particularly true with regard to the treatment of prisoners in Abu Ghraib and Camp Cropper and others. Why are we not discussing that in this resolution?

There is much to be embarrassed about. This is not something that we should congratulate ourselves about. Try not to deceive ourselves either.

Mr. HYDE. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. DELAY), the majority leader.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding.

I am just a little overwhelmed by the previous two speakers. What we are here for is a resolution that celebrates

successes in the war on terror. Yet, to make their arguments, they might as well go back to World War II and all kinds of things that have nothing to do with the war on terror, with the national security of this Nation, with trying to protect the American people, and while we are doing that, spreading freedom and democracy around the world, because, Mr. Speaker, next Wednesday, the whole world is going to stop what it is doing and it is going to look toward the Tigres and the Euphrates Rivers, the cradle of civilization, and witness the miracle of democracy taking hold in Iraq.

For a generation, the proud and resilient people of that great nation were brutalized by a dictator. Today, they are free, and next Wednesday they will take up their God-given, human right to self-determination.

The resolution before us acknowledges all that has been won in Operation Iraqi Freedom and all that has been sacrificed in that victory. Words, of course, cannot replace the years lost to millions of Iraqi families during Saddam Hussein's reign of terror nor can they bring back the brave American heroes lost in battle since the war began last March.

Despite the finest planning, equipment and training in military history, servicemen and women of the American armed forces are still at war, and no matter how just and how necessary wars may be, they still rob us of the bravest and truest of the young.

Just as the miracle of June 30 will be a celebration of the Iraqi people, it will also be a celebration of the men and women who liberated them from evil and especially a celebration of the legacy of service left by those who will not make it home. That legacy, Mr. Speaker, is not one of grief and regret but of service, duty, love and courage. It is a legacy of honor which cannot be undone by the unyielding winds of history or the frantic storms of politics. It cannot be undone because we will not let it. Those young men and women will not have died in vain.

Therefore, this resolution affirms Congress' absolute support for democracy and freedom in Iraq and for the forthcoming Iraqi interim government sworn to provide both. It also reaffirms our commitment to see the job of stabilizing and securing Iraq to the end.

Terrorists remain in Iraq targeting Iraqi government officials and American and coalition troops.

□ 1530

Terrorists remain in Iraq, targeting Iraqi government officials and American and coalition troops. Those terrorists, like all terrorists in this war on terror, must be killed or captured before democracy can truly be secured in Iraq or anywhere else in the world.

In order for America's war on terror to succeed, Iraq's interim government, and ultimately the democratic government elected next year, must also succeed. Its success depends on the continued military, economic, and diplomatic support of the United States and the international community, which President Bush has pledged and garnered since before Operation Iraqi Freedom began. That support will remain in place as long as it is necessary, and I know all Americans hope for a strong and enduring alliance between the United States and a sovereign democratic Iraq.

Before I close, Mr. Speaker, there is one man who deserves special thanks in this debate, a man who stared down enemies and appeasers alike and marshaled the civilized world to victory in Iraq. Were it not for the courage and vision of George W. Bush, June 30 would be just another Wednesday in Iraq. Instead, it is a day to be remembered, fraught with danger, to be sure, a day, too, of unfinished business, but a day of pride in this country.

For June 30 is not the end of the road, but it is just another step along mankind's unending journey toward freedom. We will not be divided by our enemies or deterred from our goals in the war on terror in Iraq, Afghanistan, or anywhere else in the world, and that is due to the steadfast leadership of our Commander in Chief. Thank you, Mr. President.

So I urge all Members to support this resolution and send a signal of solidarity from the American people to the people of Iraq and to the nations around the world that all people who seek to be free are now and will always be our friends.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, a soldier in the service of his nation never dies in vain. But that soldier's sacrifice should affirm the fact that criticism, diverse opinion, and the right to challenge government is precious and privileged and protected by the Constitution.

Might I add my appreciation to the gentleman from California (Mr. LANTOS), the ranking member, and the gentleman from Illinois (Mr. HYDE) for the collegiality and the respect given to Members in this debate and the language of this legislation.

I oppose this war with every fiber in my body, but I believe today is a time to be able to emphasize elements of unity that will say to the world that we do want success. I believe there is failure; and so for that reason, for the record, I will indicate that I will not support pages 1 to 5, at the top; but I am going to support this resolution on the basis of the resolution, how we resolve.

What are we resolving? We recognize the people of Iraq, the most innocent. We are offering our support to them that they might survive and experience democracy. We are expressing gratitude to the Armed Forces and to the families, families who I had to sit with as they buried their young. And, as well, we are giving condolences to them for the soldiers who died on the frontline. No matter whether we have won or lost, their sacrifice will never be in vain.

I offer to the families in Houston my appreciation. But as I do that, Mr. Speaker, let me emphasize that our job is not yet done. I can assure my colleagues that I do not speak from the well of the House. I have been to Afghanistan. I have been to Iraq. I have sat with soldiers, and in so doing I have heard them say this is a frustrating job, but we are here in order to have the opportunity to press American principles.

But, Mr. Speaker, we did not press American principles by having an unconstitutional war, a unilateral and preemptive strike. We did not observe constitutional principles by allowing the U.N. inspections or not fulfilling our responsibility in Abu Ghraib, or have an exit strategy, or the intelligence failure when we went into the war on the basis of weapons of mass destruction.

So, Mr. Speaker, I stand in the well of the House so that everyone will know I do not step away from my opposition to this war, but I stand alongside families, those who lost their young loved ones, those who still fight, and, yes, the Iraqi people, who, I hope, with a new strategy and a new opportunity, will face democracy in the 21st century.

Mr. HYDE. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, I rise in strong support of this important statement of the people's House, congratulating the interim government of Iraq for its forthcoming assumption of sovereign authority and congratulating the United States Armed Forces and coalition forces for their sacrifice. I commend the gentleman from California (Mr. LANTOS) and our chairman, the gentleman from Illinois (Mr. HYDE), for their usual and extraordinary and timely leadership on this issue.

When I sat in Baghdad in the coalition provisional headquarters on March 1, we sat with Ambassador Bremer across from the hall where was debated the interim Constitution of Iraq. Within 24 hours, these words would enter into the history forever of a free Iraqi people in the preamble of Iraq's transitional administrative law: ''The people of Iraq, striving to reclaim their freedom, which was usurped by the previous tyrannical regime, rejecting violence and coercion in all its forms, and particularly when used as instruments of governance, have determined that they shall hereafter remain a free people governed under the rule of law.''

The preamble of a new Constitution for a free and democratic Iraq. When just 2 years ago we think of the Iraq that existed on the world scene, Saddam Hussein was still imprisoning, torturing, and killing tens of thousands of innocent Iraqis; financially supporting and encouraging terrorism; illegally profiting from the U.N.'s Oil-For-Food program, denying millions of Iraqis needed medicines and food; and flouting and ignoring 16 different U.N. Security Council resolutions.

Thanks to the leadership of President George W. Bush and the sacrifice of U.S. and coalition forces, those days are over. And on this June 30 that we commemorate in this resolution, the United States will disengage and those words of that preamble will begin to become the reality of a new free and democratic Iraq.

And know this, Mr. Speaker. The people of Iraq are grateful. As we stood in the midst of 30 or 40 men and women in Basra the day before we were in Baghdad, I will never forget as people approached me one after the other, tears in their eyes, taking me by the hand and saying, please, when you go home to America, tell the people you serve that we will never forget what the United States has done for our people in Iraq.

The people I met in Iraq have an undying gratitude that will begin to express itself most eloquently in the advance of freedom and democracy for themselves and their posterity. I support this resolution. I embrace all that it celebrates, and I thank the chairman and the ranking member for their leadership in bringing it forward at this time.

Mr. HYDE. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding me this time, and it is a privilege to speak on the resolution of two people for whom I have the utmost respect, the chairman and ranking member of the Committee on International Relations. I thank them for this resolution.

I have been in Iraq five times, and four of those times I have been outside the umbrella of the military as well as being under the umbrella of the military. I have talked to everyday Iraqis, attended a wedding, visited schools, hospitals, businesses, met with community and religious leaders, as well as visited the very poorest of the poor in their own homes, and slept in Iraqi villages. I cannot tell you how important June 30 is. There is not an Iraqi I spoke to who did not tell me they want this to be an Iraqi revolution, not an American revolution. They are eager to run their own country.

Now, we have made some mistakes. It is clear that we should have prevented the looting. It is also clear to me we should not have disbanded the government, the army or the police. Certainly the bad folks within should have been taken out. So we have made some mistakes.

When you speak to Iraqis, they will tell you they are suspicious of the United States because to them we are strangers. As good a Nation as we are, and as important as removing Saddam is, they never had a government they could trust. So why would they trust a foreign government to lead them for a year? They blame the United States for the sanctions, not Saddam, ironically. And they also told me of the loved ones they lost when we told them to rebel against Saddam, but we left the Republican Guard in place to kill their loved ones. They ae angry about this.

They would tell me all those things, and they mean them. But in spite of their suspiction and anger they are so grateful to be free from Saddam. The most important decision the President made was to say, against the opposition of some, on June 30 sovereignty will be passed to the Iraqi people in an interim government. It is their country, and they should run their own country and they are eager to do it.

I am so proud to be in the presence of those Iraqis who have taken the mantle of leadership. If you asked me are their lives in danger and how likely is it they will be there a year from now, I cannot tell you with any confidence they will survive. But they are willing to take on this task in spite of the dangers they face.

So I salute our troops for the 840 men and women we have lost and for the thousands that have been injured, I salute the Iraqi people, who have done everything they can to be free people and now have the chance to run their own country. I particularly appreciate that we have an opportunity to speak on a resolution that says, uncategorically, on June 30, the Iraqi people reign. They will run their own country. Ambassador Negroponte will not be a Mr. Bremer. He is our ambassador who is there at the invitation of the Iraqi people.

May God bless Iraq, may God bless the United States of America. I put my hand to my heart in appreciation for what we are doing and with appreciation and gratitude for the friends I have made with so many good and brave Iraqis.

Mr. HYDE. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished whip.

Mr. BLUNT. Mr. Speaker, I thank the gentleman for yielding me this time and for his work in bringing this resolution to the floor.

Two weeks ago, I had the opportunity to have a discussion with the new President of Iraq, President Yawar, about his vision of a stable, sovereign, and democratic Iraq. All of us who joined with him in this building that day were impressed by his resolve and, frankly, impressed by his courage, the courage of Prime Minister Illawi, and the courage of hundreds of others who have demonstrated great bravery and resolve by taking the reins of the Iraqi Governing Council in the aftermath of Izzedeen Salim's assassination in mid-May, in the face of daily attacks, and this desperate attempt of tyrants and tyranny to prevail in a part of the world that has experienced tyranny for far too long.

□ 1545

Why, in the prime of their lives, are Iraq's new leaders risking everything, including their very lives, for such a cause? It is because, Mr. Speaker, they desire liberty. It is because they desire freedom. The men and women who will officially become Iraq's interim leaders June 30 all share a vision of their native land free at last of Saddam Hussein's brutal oppression. This vision respects the rule of law and will listen to the voice of the people. This government, of course, is one step toward elections and an elected government that we hope to see in Iraq in just a few months.

We should not forget that our Nation was built on the backs and the minds and the hearts and the hands of the same kind of brave and heroic figures. Two hundred twenty-eight years ago, 56 Americans challenged the British crown by signing the Declaration of Independence, risking their families, their fortunes and their lives for the cause, again just like Iraqis today, the cause of liberty.

Today, Mr. Speaker, in supporting the brave Iraqi leaders and the millions of Iraqi citizens who are standing up to the terrorists and insurgents for the cause of freedom for the Iraqi people, we recall the sacrifices made by brave Americans throughout history for our own freedom. We express our pride in the men and women of our Armed Forces who are making this day possible for the Iraqi people. Even after next week's handover, the cause of freedom in Iraq will continue to require sacrifices by the American people and by our brave soldiers. The American people must be prepared to help the fledgling government financially as it generates the type of infrastructure necessary to support a stable democracy. We must be prepared to encourage this government as it moves to free and fair elections.

Iraq is still a dangerous place. Terrorists continue to target our troops as well as innocent men, women and children in an effort to ruin Iraq's attempt at democracy. But democratic institutions are forming and our soldiers and civilian advisers continue to train Iraqi police and other security forces. During today's deadly terrorist attacks, the reports of Iraqi soldiers fighting side by side with their American counterparts demonstrate just how determined Iraqis are to destroy this insurgency and live in peace for the first time in 30 years.

Mr. Speaker, with today's resolution, the House reaffirms that the United States' motives in Iraq are founded on virtue. We do not desire any territory.

We do not desire an empire. We seek stability both at home and in the Middle East. The President's decision to intervene in Iraq was made in the best interests of Americans and Iraqis. Saddam Hussein is in a jail cell, no longer able to pursue weapons of mass destruction or encourage global terrorism that threatens the lives of freedom-loving people. Most importantly in the context of today's debate, Iraqis at last have the chance to demonstrate to the world that democracy can spring forth in the cradle of civilization.

I urge my colleagues to support this resolution, and even beyond that, I urge all of us and all Americans to support this great effort, this great experiment in freedom that we encourage today and in the days ahead.

Mr. LANTOS. Mr. Speaker, I yield myself the balance of my time.

Robust debate is the hallmark of this body and this afternoon we had a sampling of it for which we are all pleased. The difficulty in dealing with the issues that we face in this world is that we do not confront elegant alternatives but exasperating realities. It is in that context that I wish to quote from the person who will be the nominee of the Democratic Party at the upcoming convention on his views of this resolution and of this undertaking. I am quoting from Senator KERRY:

''While we may have differed on how we went to war, Americans of all political persuasions are united in our determination to succeed. The extremists attacking our forces should know that they will not succeed in dividing America, or in sapping American resolve, or in forcing the premature withdrawal of U.S. troops. Our country is committed to help the Iraqis build a stable, peaceful and pluralistic society. No matter who is elected President in November, we will persevere in that mission.''

Mr. Speaker, these are difficult days for our country, but we stand united in our commitment to our troops and in our commitment to our values. I urge all of my colleagues to support this resolution.

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

Mr. HYDE. Mr. Speaker, I yield myself the balance of my time.

I want to thank the gentleman from California and everyone who has participated in this debate. As the gentleman from California said, robust debate is a hallmark of democracy and we have had that here. I have strenuously tried to keep politics out of this because I am so pleased this is a bipartisan resolution and truly it is one that is appropriate because it is a magnificent achievement to have a country such as Iraq under a dictator, a tyrant, turn into a working democracy where they are going to have free elections and have all of the additional assets that go with a democracy. I think it is a joyous occasion and one that no matter our differences we ought to be able to join in congratulating them.

Mr. Speaker, we did not start this war. On September 11, 2001, some people declared war on us and committed an act of war. Does anyone doubt if they had access to nuclear materials they would have used them? And then we would mourn the deaths of 3 million people, not 3,000 people. Does anybody doubt for one minute that chemical and biological warfare agents, if available to these people, they would not use them? They could poison an awful lot of water systems in this country and paralyze this country. War is different today. It is not declared. They do not put uniforms on and march in formation. They sneak up on you in the dark and stab you in the back. And so if you wait for the smoking gun, you might find one of your major cities is the smoking gun.

The fact that Libya threw its cards on the table and said we will not pursue weapons of mass destruction is glossed over as though that was not a substantial achievement. The fact that weapons of mass destruction have not been found in Iraq does not mean that they were not ever there or that there were not programs to develop these things. And the history of Saddam Hussein is one that indicates he would use them in a minute given the opportunity.

We are in a terrible war. We cannot win a war like this unless we are unified. I would ask all of us, Republicans and Democrats, when we start to argue this issue, think. Is what we are saying going to help us or not help us in this struggle that may last for generations? It is very important, because we all have children and grandchildren whose future ought to be a prime concern. Everything in this resolution is nonpartisan. It is praiseworthy. It recognizes one of the great accomplishments, the transformation of a country like Iraq into a functioning democracy and setting the example in that region of the world. And so let us join hands and acknowledge this accomplishment and join the Iraqi people in celebrating their new democracy.

Ms. WOOLSEY. Mr. Speaker, once again this House has passed a resolution celebrating the manner in which the war in Iraq has been fought, and the burgeoning democracy it has ostensibly established. In reality, H. Res. 691 speaks to the profound failure of the Bush Administration's Iraq policies and the lack of an appropriate rationale for invading another country: The war was fought because President Bush's desire to take down Saddam Hussein, not out of a desire to fight global terror; it was about a highly ideological plan to extend America's reach in the Middle East, not about ridding the world of nuclear weapons. In short, the war was about the Bush Administration's priorities—not Iraq's.

This resolution also expresses unequivocal support for our Armed Forces. We must be sure to honor the brave men and women who put themselves in harm's way; already 833 American soldiers who have died during the course of this conflict. Accordingly, I hope we will honor future veterans when they return home, as thousands of them will require prosthetic arms and legs, physical therapy, and years of health care for injuries incurred during the war.

H. Res. 691 is not without its merits. This resolution contains important language expressing condolences to the families of the innocent Iraqis who have been killed or wounded during the conflict. In fact, an estimated 12,000–14,000 unarmed, innocent Iraqi civilians have died since the United States invaded the country last year.

However, while I support many parts of this resolution, I am disappointed that the House Republican leadership has once again pushed for passage of a resolution the contents of which are either inaccurate or downright wrong.

An entire clause of this resolution is devoted to the claim that Iraq has been transformed ''into a safe secure, stable, sovereign, democratic state that serves the interests of the Iraqi people.'' Secure? Stable? Sovereign? Iraq is none of these things, and it still won't be any of these things when the United States transfers authority back to the Iraqi people on June 30th. The Bush Administration needs to realize and admit to the American people that Iraq is neither secure nor stable, and will not be either of these things for a great many years. The Administration's policies in Iraq have been a colossal failure.

The fact is, President Bush and his Administration want to have it both ways. They want to appear to have finished up work in Iraq in time for the November elections, while at the same time maintaining over 100,000 soldiers there to ensure they maintain a high degree of control over the country's fate. Not to mention the new American Embassy overseen by the controversial John Negroponte will be the largest in the world.

Instead of continuing to pass resolutions of inaction, Congress should be pressing the administration to truly engage the international community to stabilize an insecure Iraq—particularly in light of the recent resolution endorsing the turnover of power back to the Iraqi people that was passed unanimously by the U.N. Security Council. We've already entered into a fight that has diverted resources from the real fight against terrorism and from important domestic programs. Now is the time for taking measures so that we do not repeat our mistakes. Now is the time we must invest in an international coalition before the international will to endorse our efforts in Iraq runs dry.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of this resolution for the transfer of sovereignty to the Iraqi people on June 30. June 30 will be the start of a new Iraq. Life for the people of Iraq will be a world away from the cruelty and tyranny of the regime that once ruled them for decades. A new sovereign, interim Iraqi government—representing the diversity of Iraq—will assume power, provincial governments will be put in place, courts will be overseen by Iraqi justices, political parties will be formed and preparations for national elections will be made.

After June 30, the U.S., under the leadership of Ambassador John Negroponte, will provide support to the new Iraqi Interim Government as it assumes control of managing day-to-day operations, preparations for new elections, and rebuilding the country's infrastructure and economy.

Leading up to June 30, infrastructure improvements—led by coalition forces—and the shift to self-government have already completely transformed the face of Iraq. Schools,

medical clinics and hospitals have been reopened. An army and more effective police force have been rebuilt. A fair judicial system has been constituted. And an interim constitution has been signed—laying the foundation for democratic elections.

The ability to transfer authority to a new sovereign Iraq only 14 months after liberation efforts began is a major step forward for freedom. We should be proud of our young servicemen and women and civilian contractors in Iraq for their work in liberating 25 million Iraqis from the grip of Saddam Hussein's regime and rebuilding a country that was in disrepair for nearly two decades. America appreciates their sacrifice and commitment to the security of our Nation. Those who have made the ultimate sacrifice to protect our freedom and defend America will never be forgotten.

Mr. Speaker, July 1, 2004 will be the dawn of a new day for the men, women and children of Iraq. This day will not mean an end to terrorist violence, but it will be a radical departure from the decades of governmental and personal abuse that existed under Saddam's ruthless regime.

Ms. KILPATRICK. Mr. Speaker, I rise today to oppose H. Res. 691. My position is consistent with my opposition to our invasion of Iraq and my belief that any congratulations we extend to the interim government are muted by the reality of ongoing death and mayhem that occur daily in Iraq.

Additionally, I want to express my condolences to all of the victims of our invasion into Iraq. My heart is heavy for the Iraqi families that have suffered permanent losses as a result of the war and continuing insurgency efforts. Furthermore, I mourn for the families of U.S. and foreign military personnel; valiant soldiers, men and women, who have sacrificed their lives to promote the reality of freedom for Iraqis.

However, Mr. Speaker, I disagree with many of the notions put forward in the resolution because I believe some of them are simplistic, naive and wrong. While it is true that Iraqis have participated in elections, widespread antagonisms persist and violent behavior continues to be directed at our forces. Our soldiers are imperiled because of how and why they entered Iraq, in addition to their continued presence in Iraq. Second, the notion that Iraq is more secure now than before is also wrong. While it is true that the government of Saddam Hussein was toppled, Iraq continues to be a besieged nation. Violence is prevalent, and the victims of the bombings and assassinations are largely innocent Iraqis.

I appreciate the spirit in which the Resolution was drafted, but I strongly disagree with the underlying premise that we are celebrating the Iraqi freedom. Iraqis will not be free until they are capable of installing a representative government devoid of foreign intervention. Iraqis will not be free until they overcome the challenges of enfranchising diverse segments of its diverse population of Kurds, Sunnis and Shiites into a form of democracy that suits their needs and not the designs of the United States.

Finally, while June 30, 2004 is a monumental date for the people of Iraq. We should not delude ourselves, nor mislead the people of Iraq that in the near term, democracy will bear the fruit of liberty and peace that they have been promised. As a mother and grandmother who worries about the future of our Nation and the world, I am ruled by my conscience, and my conscience dictates that I cast a "no" vote on H. Res. 691.

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

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate has expired.

Pursuant to the order of the House of Wednesday, June 23, 2004, the resolution is considered read for amendment and the previous question is ordered.

The question is on the resolution.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

## CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO THE WESTERN BALKANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–196)

The SPEAKER pro tempore 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:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the FEDERAL REGISTER and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Western Balkans emergency is to continue in effect beyond June 26, 2004, to the *Federal Register* for publication. The most recent notice continuing this emergency was published in the *Federal Register* on June 24, 2003, 68 Fed. Reg. 37389.

The crisis constituted by the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Yugoslav Republic of Macedonia, and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999, in Kosovo, that led to the declaration of a national emergency on June 26, 2001, has not been resolved. Subsequent to the declaration of the national emergency, acts obstructing implementation of the Ohrid Framework Agreement of 2001 in the former Yugoslav Republic of Macedonia, have also become a concern. All of these actions are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to the Western Balkans and maintain in force the comprehensive sanctions to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *June 24, 2004*.

## SPENDING CONTROL ACT OF 2004

The SPEAKER pro tempore. Pursuant to House Resolution 692 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. 4663.

The Chair designates the gentleman from Ohio (Mr. LATOURETTE) as Chairman of the Committee of the Whole, and requests the gentleman from Arkansas (Mr. BOOZMAN) to assume the chair temporarily.

□ 1558

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. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, with Mr. BOOZMAN (Chairman pro tempore) in the Chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 30 minutes.

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

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

Mr. Chairman, the most important job of the House Committee on the Budget which I have the honor of being the Chair is really twofold. First is to put together and pass in the House a responsible, realistic blueprint to guide the spending and revenue decisions for the Federal Government. We did that. We completed a budget over a month ago when this Chamber adopted the conference report for the budget for fiscal year 2005. Getting a budget is difficult enough. Now comes the second part of the job and that is to ensure that you stick to it. Getting the budget means that you have been able to get a majority of Members to agree on the levels for spending, on the levels for revenues and to bring together those very different ideas because, trust me, there is no such thing as a perfect budget by any stretch of the imagination. My good friend from Florida reminds me of that every once in a while.

□ 1600

But we do get a document that tries to mold and shape the hopes and

dreams and the budget priorities for the Nation in a document, and then we work to stick to it.

Since the gentleman from Florida came on the floor, the very distinguished chairman of the Committee on Appropriations, let me say something about the House and our ability to stick to that plan. We have passed budgets in years past that have been difficult. We have dealt with terrorist attacks. We have dealt with a downturn in the economy. We have dealt with the need to borrow resources to deal with emergencies we never managed. We had to deal with new priorities no one had ever heard of, new Departments like Homeland Security; and new initiatives such as a global war on terrorism, a war in Iraq, and a war in Afghanistan. And I have to tell the Members that in each one of those turns, committees have worked together in order to accomplish that. There is no doubt that once in a while committees will have difficulty coming to agreement on certain priorities and ideas; but once we do it, there is general agreement and effort to stick to it. And when we talk about sticking to it, the gentleman from Florida (Mr. YOUNG), chairman of the Committee on Appropriations, and his committee have done an excellent job of sticking to it.

We have increased spending over the last number of years at a rate that has been unprecedented, in many respects because we have had unprecedented need, particularly in homeland security, national defense, intelligence, and emergencies that we have had to deal with. But even the nondefense or nonsecurity accounts have increased at an alarming rate, twice the rate of inflation. And so it is no wonder that Members will come to the floor from time to time, we saw that debate earlier today, and say, look, spending is out of control.

Unfortunately, we often focus far too much attention and energy on just what we call the discretionary appropriation accounts, the 13 bills that the chairman of the Committee on Appropriations has to shepherd not only through the House floor but also through the Senate and to final passage. That process has been difficult. We are behind in that process, and I have no doubt the chairman will remind me that having this discussion probably puts us even further behind.

But we are having this debate, nonetheless, because once we have a budget, we also want to make sure we stick to it. And that is why an enforcement bill has come to the floor.

I will definitely report to my colleagues that I would much rather have this debate after the other body had passed the conference report, but they are tied in knots over there across the rotunda on the other side of the Capitol. Politics, Presidential elections, all sorts of things are tying up all sorts of items in the other body, going to make it very difficult for us to pass budgets, appropriations, get judges confirmed, all sorts of a myriad of issues that make that difficult.

As a result of having some difficulty in spending and having difficulty in getting a budget through the other body, the third item which I want to bring up is huge increases in what we call mandatory spending through our Federal Government. Mandatory spending, as most of my colleagues know, are those spending initiatives which are on auto pilot, meaning we have passed a law to fund a program, and unless we change the law, the funding continues. Medicare is probably one of the best examples of that. We just had a huge change in Medicare to provide a first-ever prescription drug benefit for seniors. It costs a lot of money, though, and that has grown much faster as a result than even many of the discretionary accounts.

So as a result, there are Members who come to the floor frustrated by the increases in spending, frustrated because there are times when the budget is not followed, and thinking that if we change the process on how we achieve the budget or if we change the process on how we discuss appropriation bills, that will solve everything. And I am part of that camp from time to time.

But I must remind all of us before we start this debate that when everything is said and done here today, it still comes down to how we vote. One can blame the process. One can blame the budget. One can blame the Committee on Appropriations. One can blame individual Members. One can blame past administrations. One can blame current administrations. But no matter what one blames, they had better look in the mirror today before they come down here to vote on anything and realize that spending increases when Members vote to increase spending.

And already the appropriation bills that we have seen cross this floor have had huge majorities, huge majorities, for very valid increases, in defense and intelligence, other issues that have come before our body. Why? Because the need is there. So those Members who come to the floor today and say let us blame the process or let us blame the procedure or let us blame another committee also need to take their fair share of the responsibility for how the process runs.

I believe that we need discipline, and we need enforcement of a budget once we get it. That requires what we used to have in this body, and that is caps in PAYGO. Caps in PAYGO, statutory caps in PAYGO, I believe, are necessary because it gives the force of law to what we have done. It makes sure that all three entities, the President; the Senate, the other body; and the House, are all together when the discussion occurs on spending, when the discussion occurs on taxes, when the discussion occurs on mandatory or entitlement increases. It ensures that everybody is there because we are all in this together. We cannot do one without the other. We cannot say it is only the Congress's prerogative because the President has to sign the check, he has got to sign the bill if, in fact, that is what he agrees to.

But it starts here in a process called the budget, called the appropriations process, and called the authorization process. So in order for us to deal with this, we are asking that the body today consider capping spending at the rate we just passed in the budget resolution, and just for 2 years, do not bind another Congress, just for these 2 years, and to also for really the first time address mandatory spending and its out-of-control nature by applying what we used to apply and that is pay-as-you-go to entitlements or mandatory spending. We believe this will help us. It will not be the be all and end all because there are still emergencies; there are still other ways that Congress spends money outside of that process. But this is one of the ways that we found in the 1990s to help ensure that spending control could occur.

Members are going to come to the floor with different opinions, and I respect those opinions. There is no question that people have a variety of ideas on how we should do this. But I would ask each and every one of them to remember that this is about each and every one of us, as Members, what our priorities are and how we vote. We cannot give that to another process. Nothing we do here today given to another process will, in and of itself, stop the madness of increases in spending that have been what many Members believe are out of control. The only way, when everything is said and done, is to cast our vote to control spending, and that is done in the individual processes of the bills that we consider here on the floor.

So we believe this is a work product worth consideration. There will be amendments to consider changes in the budget process and the appropriations process in order to help get a handle on spending concerns and on mandatory spending. But as I say, when everything is said and done, we have got to have a budget, we have got to enforce it, and we have got to vote that way on each and every bill in order for spending to be controlled.

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

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BOOZMAN). The Chair would remind Members to refrain from improper references to the Senate.

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

Mr. Chairman, the bill we have before us, H.R. 4663, the Spending Control Act of 2004, causes me to say to my friends across the aisle, and I cannot help but take a little jab at them, our Republican friends control the House, they control the Senate, they control the White House. Why can they not control spending? And will this bill make a difference?

I ask that question because there is a particular irony about this bill. This is a budget enforcement bill, but there is no budget to enforce. For the first time since 1974 when the Budget Act was first adopted, the party that controls both branches of the government, the Congress and the White House, is unable to get its act together and pass a budget. And now they propose new rules to the budget process if they cannot comply with the rules we have got.

This bill before us is hardly a consensus bill. There is a lot of dissension about it even as it comes to the floor. When it was filed, 28 amendments were filed with the Committee on Rules to change it. All but one of those amendments, which is my amendment, focused solely on spending as the source, the cause of the deficit that we are incurring today. We are supposed to have a deficit this year of over $521 billion. The prognosis has gotten a bit better, but it looks like it will be at least 430 to $450 billion, 1 year, a half trillion dollars. Only my substitute deals with the other side of the problem, and that is revenues.

Two rules of all the rules we will see today, two rules that stood the test of time, they have worked. They have helped us wipe out deficits. They did in the 1990s. One rule caps discretionary spending at fixed levels over the next 5 years. That was the rule that we put in effect in 1990, extended in 1993, and again in 1997; and it helped us balance the budget for the first time in 40 years. The other rule is what we call the pay-as-you-go rule, which requires us to pay as we go, that is, to offset new tax cuts and new entitlement increases by new revenues or by equal spending cuts so that they do not add to the deficit, pay-as-you-go, discretionary spending caps.

As I said, the base bill and all the amendments except mine focus entirely on spending and not at all on tax cuts as the source of the problem. Yet if we look at the period 2002 through 2011, the 10-year period that covers the first 4 years of the Bush administration, $2.3 trillion of our total fiscal reversal during that period has been caused by substantial tax cuts and related debt service; and that revenue deficit grows as tax cuts that expire are renewed and new tax cuts are adopted, as the Bush administration proposes and pushes for more.

This bill promises deficit reduction; but it ignores the elephant in the room, one of the chief causes now and well into the future, and that is the deficit in revenues.

Do we have a problem? You bet we have a problem. In the last 3 years of the Clinton administration, I remind everybody, we ran surpluses for the first time in 30 to 40 years. We paid off $400 billion in debt. In the first 4 years of the Bush administration, Congress has had to raise the statutory ceiling on the national debt three times, three times in 4 years, to accommodate President Bush's budget. Congress raised the ceiling by $450 billion in 2002; by $984 billion in 2003; and shortly, the process is already under way here, by $650 billion this year. In all of the last 4 years by $2.1 trillion in order to accommodate Mr. Bush's fiscal policy.

And these increases in the statutory debt ceiling are by no means over. They are part of a series. The Congressional Budget Office told us last March, when they examined the President's budget, that if we implemented, if we enacted that budget, the President's budget, we would have to raise the debt ceiling to $13.5 trillion in the year 2014. Not my number. It is the number of the Congressional Budget Office, which is a neutral, nonpartisan arm of the Congress.

So we have a problem; but this bill, unfortunately, does not deal with it. It takes off in pursuit of red herrings and Draconian solutions that will not work, if they were ever enacted; and I doubt they will be enacted. It trots out almost every budget process idea that has ever been thought of, but the two that have worked, the two rules that have worked so well that, as I said, we moved the budget from a deficit of $290 billion in 1992 to a surplus of $236 billion in 1998.

□ 1615

One is a double-edge PAYGO rule that requires both tax cuts and entitlement increases to be deficit neutral; and the other is discretionary spending caps over 5 years. They do not work unless you extend them out for some period of time. The caps in the base bill only go out for 2 years and are set to boot at unrealistically low levels. They are lower than the President's request, yet they provide more for transportation. I think the gentleman from Florida (Mr. YOUNG) will tell you if he talks about the appropriations bind he is in right now, he cannot take much more reduction in the allocation of discretionary spending than we have already given him.

So we have got here a set of proposals that simply do not address the problem at hand, which is a substantial problem, except for one particular provision. All I am calling for and all I would recommend the House would do, but it would be a good day's work if we did it, is go back and reinstate the PAYGO rule, which worked so well in the 1990s; reinstate the 5-year spending caps, which worked so well in the 1990s; and then we can get to work on balancing the budget.

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

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to my friend, the gentleman from Florida (Mr. YOUNG), the very distinguished chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman yielding me time, especially since he knows that I disagree with his package. But he also is a fair player, because he understands that the Committee on Rules did not give the Committee on Appropriations any time under this rule. That is strange, inasmuch as the Committee on Appropriations will be affected more than any other committee in the House based on what happens here today. Even so, we were given no time under the rule. But I voted for the rule, just to keep the process going.

I want to say again, as I did earlier this morning, we need a budget. We need budget caps. And I have said that in defense of resolutions presented by the gentleman from Iowa (Mr. NUSSLE) on numerous occasions. As chairman, I need the budget caps to have the discipline in committee to keep spending from running wild. As a matter of fact, last year the Committee on Appropriations denied $18 billion worth of amendments that would have increased spending.

But I do not appreciate his package. I think we do need budget process reform, and I cannot describe everything that I think needs to be done in the 2 minutes I have left. What I suggest is in an amendment I offered but was not made in order by the Committee on Rules. What we need is a commission or committee, bipartisan and bicameral, of this Congress, to sit down and thoroughly study the problems and make a recommendation, without regard to politics, without regard to this person or that person or somebody else. This Committee would make a recommendation to the Congress as to what budget process will work.

Now, the one main reason that I am opposed to the budget process bill offered by the gentleman from Iowa (Mr. NUSSLE) is, first of all, it has multiyear caps. When it was first reported, it had 5-year multiyear caps with no numbers. No numbers. We were going to set 5-year caps, but with no numbers.

Well, as of last night, a decision was made to change that bill and make it 2-year caps with numbers. At one point I was promised that my committee could have some input into what those numbers would be. I did not hear what the numbers were until I read it in Congress Daily yesterday morning. I think that we deserved a little more consideration than that.

But the big concern is statutory caps, which is what this package presents. Statutory caps are different than caps set by a concurrent resolution. Statutory caps would bring the executive branch into the mix of setting a budget. That is not the role of the executive branch of government.

The Constitution provides for separation of powers. The Constitution gives the responsibility of spending, financial matters, to the Congress. The President gets his chance when the appropriations bills are sent to him and he has an opportunity to veto.

But statutory caps would mean that the executive branch, OMB, would be up here every day saying, no, we will not accept these caps, or we will veto these caps. That puts the executive branch in the driver's seat when it

comes to setting our budget caps, and that is just not right.

For that reason alone, I cannot support this package today, although I recognize my friend, the gentleman from Iowa (Mr. NUSSLE), has worked very hard. We do not have a budget this year. In the House we have a deemed budget, but the process did not work because the other body cannot get their act together on a budget.

The gentleman from Iowa (Mr. NUSSLE) has done a good job in getting that budget, and we are working under his budget. The gentleman has worked hard under difficult procedures; and he is right, the budget process needs to be changed. But it ought to be changed only after very serious thought and consideration.

I really am disappointed that the Committee on Rules did not make my amendment in order that would have created a bipartisan, bicameral committee or commission of this Congress to thoroughly study, and, in a serious, sincere way, recommend what our budget process ought to be.

I thank the gentleman from Iowa (Chairman NUSSLE) for the hard work he does and for the time he gave me. The gentleman has an extremely difficult job. I agree with the gentleman a lot of the time. Sometimes I do not; but we are still friends.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BOOZMAN). The Chair would remind Members to refrain from improper references to the Senate.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. HOYER), the Democratic whip.

Mr. HOYER. I thank the gentleman for yielding me time.

Mr. Chairman, for the first time since 1974, it appears that Congress will not adopt a budget when the same political party controls the House, the Senate, and the White House. In other words, in 28 years we have not been in this position of not being able to pass a budget.

Why can the Republican majority not fulfill one of the most basic tests of effective government, adopting a budget? Because they cling to the fiction that we can rein in record deficits and runaway debt by applying pay-as-you-go budget rules to mandatory spending only. They do this as they preside over record budget deficits, and, just this week, trying to hide a $690 billion increase in the debt ceiling in the rule on the Defense appropriation bill.

As the New York Times stated this morning, applying PAYGO rules to spending, but not taxes, is ''like swearing off demon rum while continuing to binge on vodka martinis.'' Even some Republicans reject this dilution, to wit, four Members of the other body.

Earlier this year, my friend, the chairman of the Committee on Appropriations, whom I have so much respect for, speaking for our committee, but more, much more, importantly, speaking for fiscal responsibility, said, ''No one should expect significant deficit reduction as a result of austere, non-defense discretionary spending limits. The numbers simply do not add up.'' The chairman was right.

The fact is, we could eliminate all nondefense discretionary spending, and we would still be running deficits of more than $100 billion. That is how much we put our country into the red.

Perhaps the height of irony, perhaps the height of irony, is that just 7 years ago, in 1997, 193 Republicans voted for a pay-as-you-go affecting spending and revenues, or taxes. That included the gentleman from Illinois (Speaker HASTERT), who voted for PAYGO affecting both; the majority leader, the gentleman from Texas (Mr. DELAY); the conference chairwoman, the gentlewoman from Ohio (Ms. PRYCE); the chairman of the Committee on the Budget, the gentleman from Iowa (Chairman NUSSLE); and the chairman of the Committee on Ways and Means, the gentleman from California (Chairman THOMAS). And the Bush administration itself endorsed pay-as-you-go rules affecting both revenues and expenditures in 2002, 2003, and 2004.

I have here next to me the language of the fiscal 2002 budget. I hope it is on the screen. The Bush administration endorsed it, as you can see, affecting both spending and tax legislation. In fact, I will quote. It states: ''The President also proposes to extend the PAYGO requirement for entitlement spending and tax legislation.''

Why? Because he knew you could not do what you say you can do. And for 3 years he stuck to that principle. This is the first year he has not.

I would hope that those who believe in fiscal responsibility would vote for this Democratic substitute, which would restore the original PAYGO rules adopted in 1990 that apply to mandatory spending and taxes as they were originally established on a bipartisan basis, as we did in 1997 when the gentleman from Iowa (Mr. NUSSLE) and I both voted for a balanced budget proposal, which, in fact, was very helpful in assuring that balance.

Mr. Chairman, I do not think we ought to let our majority colleagues get away with this charade. Do not let them preen as deficit hawks, as some of you perceive yourselves to be, and not apply discipline to both expenditures and revenues.

I tell my colleagues, it is oh, so easy. I have been in a legislative body for 35 years, and every year I have found it so easy to vote for tax reductions, but so difficult to vote for cuts in spending.

Let us have discipline. Vote for this substitute. Do not pretend your PAYGO has any effect.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on the Budget.

Mr. PORTMAN. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding me time, and I thank him for bringing this resolution to the floor.

What we are talking about in this resolution is not so much budget process reform, although we will have an opportunity through various amendments to get into that issue. What we are talking about here is enforcing the budget we have.

I think what the Committee on the Budget reported out and what is before us on the floor today is the right way to do it, and that is putting a cap on discretionary spending and having PAYGO apply to mandatory.

I was going to talk a little about the importance of growing the economy to our budget, but I think we have really gone over that in the previous debate. Instead, let me talk for a minute about what my friend from Maryland was just saying with regard to tax relief.

If in 2001 we had applied PAYGO to the tax relief, which was in effect, by the way, we would not have the economy we have today. That is what I believe. I believe that the economic growth we have seen over the last year, and remember now, we have added 1.4 million jobs to our economy in the last 9 months, we have the best growth in 20 years; we are the envy of the entire industrialized world; we are growing jobs; we are increasing wages; we are seeing real growth, which is resulting in higher revenues, which is why CBO is going to come back later this year and tell us our deficit is not as big this year as they thought it was going to be, because more revenue is coming in. If we had PAYGO on taxes in 2001 and applied it, we would not have put the tax breaks in place. That is my belief.

Second, there is a bias in our system right now. Think about it. With regard to spending, the gentleman said it is hard for him to vote for cuts in spending. It is not hard for any of us to vote for increases in spending. We do it all the time. Then it becomes a baseline. Then, in terms of the budgetary consequence, it continues, forever.

There is no budgetary consequence once an appropriation, an authorization, expires; but there is when tax relief expires. When tax relief expires, there is a budgetary consequence.

We have to find a way to account for it. That is a bias within our system. And to add PAYGO to both would, therefore, be unfair, both because the tax cuts, unlike spending, add directly to economic growth. And it is incredibly important, we can have that debate without having the PAYGO, but have that debate, an honest debate. Second is the fact that in our current system, let us face it, there is a bias right now in favor of spending.

I thank, again, the chairman for bringing this to the floor. I think it is a responsible approach to just enforcing the budget we have, to be sure the chairman of the Committee on Appropriations can do his job, and do it well.

Mr. SPRATT. Mr. Chairman, I yield 10 seconds it the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, had I had the time, I would have simply asked, why did the gentleman vote for this in 1997?

Mr. SPRATT. Mr. Chairman, I yield 5 seconds to the gentleman from Ohio (Mr. PORTMAN) to respond.

Mr. NUSSLE. Mr. Chairman, I yield the gentleman from Ohio 10 seconds.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. PORTMAN) is recognized for 15 seconds.

Mr. PORTMAN. Mr. Chairman, I would tell the gentleman two things. Number one, at that time we were working on a bipartisan basis to try to get a balanced budget agreement through the Congress, which we did support. We wanted a cap on spending, you wanted it on taxes, and we came up with a compromise in order to get that 1997 balanced budget agreement through, which was a good agreement in the sense that it restrained spending. That part of it was good, and the economy grew; and I think we should learn from that.

Today, what we are trying do again is to get this economy growing and restrain spending through these caps. That is the key.

□ 1630

Mr. SPRATT. Mr. Chairman, I yield myself 10 seconds to remind the gentleman that we have 1.3 million fewer jobs today than we had on March 1, 2001 at the beginning of the Bush administration. First amendment, first recession since the end of the Second World War with that result.

Mr. Chairman, I yield 2½ minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Chairman, let me thank the gentleman from South Carolina (Mr. SPRATT) for yielding me time.

Mr. Chairman, if I can purport to get into the heads of the majority and answer that question for myself for a minute, I think it is fairly basic. I would guess, Mr. Chairman, the reason is about 5, 6 years ago there was an overwhelming consensus in this body that we apply PAYGO to both tax and spending for a very simple reason. It is good common sense. It is only basic fairness.

If I can, Mr. Chairman, let me make this point. This sounds like a very esoteric debate to a lot of people who are listening right now. Do we apply PAYGO to revenues? Do we apply PAYGO to spending? And there is a certain technical-sounding aspect to it.

There is a way to cut to the chase and make this a whole lot simpler. Who do we make bear the brunt of discipline and sacrifice in this country? It is very clear after listening to a lot of the very able adversaries on the other side of the aisle that they are not terribly interested in asking but a few people to sacrifice in this country. They are only interested in seeking to impose discipline on but a few of us, and they in the name of tax cuts would seal off a whole portion of our population, namely people who are receiving huge tax cuts because of their income, from the brunt and burden of sacrifice.

This is what we ought to understand today. We may argue about all kinds of aspects of the Clinton years, but they were enormously successful in bringing this economy back, creating jobs and leading us into surplus.

These facts are indisputable. When William Jefferson Clinton left the White House, we had a surplus of $122 billion. Today as George W. Bush submits himself to the country for re-election, we have a deficit of around $500 billion. If any CEO in America had gone from having that kind of surplus to that kind of a deficit in 4 years, his contract would absolutely not be renewed. This is a fundamental question of how fair we are as a people. Are we fairer now than we were four years ago?

And I would submit that it is fundamentally wrong and fiscally irresponsible to only ask people who do not have certain influence, who do not have a certain voice in this society to bear the brunt.

So the reality is if we decide, we are going to apply these PAYGO rules, there ought to be a very simple test, Mr. Chairman, number one, what would bring us closer to fiscal soundness and, number two, what provides for fairness. It is only fair and only reasonable that we do what an overwhelming majority of the Republicans wanted to do 5 years ago. What is good for the goose is good for the gander, and if we can somehow make these rules work, then we will be back on the way to fiscal stability in this country.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY), a member of the Committee on the Budget.

Mr. TOOMEY. Mr. Chairman, let me just suggest to the gentleman from Maryland who raised the question about 1997, there is a big difference between imposing PAYGO on the revenue side in 1997 versus doing so today, and the big difference is doing it in 1997 did not result necessarily in a big tax increase. Doing it today, as the minority party would like to do, would absolutely result in a huge tax increase because of the provisions in the Senate. That is a big difference. A huge tax increase versus not having a huge tax increase is a big difference.

Let me just say, I congratulate our chairman and the members of the committee who got this bill to this point on the floor. It is so important that we find a way to control and limit the growth in spending for a number of reasons, as this bill does, but I think that one of the main reasons is it is just so fundamentally important and incumbent upon us to be adopting policies that allow the American people to maximize economic growth and prosperity, opportunity for themselves, for their wages to grow and their standard of living to improve. That is what we ought to be all about.

Well, the empirical evidence is very clear that one of the greatest threats to that kind of prosperity comes from excessive government intervention in the economy. The government intervenes and threatens economic growth in lots of ways, but the two biggest ways that the government does that is through excessive government spending and excessive taxes.

On the spending side, I think we ought to acknowledge that on the margin, excessive growth spending results in less economic growth. That is what happens. It is because the government essentially misallocates capital.

Let us face it. When we are here in Washington spending money, what we are doing is allocating capital based on political needs. Members of Congress tend to vote to spend money on that which they think will help them get reelected. That does not make us bad people. That is the natural tendency of a represented body. That is what governments do. But what it means, this political self-preservation, what it ends up meaning is that the excess spending of other people's money, by the way, might maximize incumbent retention, but it certainly does not maximize economic growth. And I think that is what we ought to be all about here.

In fact, the tendency is forever more government spending. We see that now we are spending over 20 percent of GDP; whereas, just 3 years ago it was only 18 percent. We have got larger deficits now. The government is growing faster than the economy. All the things point in the same direction. We need some limits on spending growth. That is what this is all about.

Let us keep in mind that the caps that we have on discretionary spending in this bill, the PAYGO provision that we have on mandatory spending, there is no spending cuts. Nothing is cut. Frankly, I would like to cut some spending. I wish there were, but there is not.

And we all know that there is no guarantee that the caps will even hold. If we could get them passed and signed into law, you know, Congress usually has a way of busting the caps, but what they do and the important role that they can play is they help on the margin to provide a break on the rate of growth of spending, and that is what is so important.

I mentioned the other big way in which government intervention harms economic growth, and that is excessive taxes. And there is just no question. The evidence is overwhelming. And the good news is that when we have taken the measures of lowering the tax burden as we did, if we can make those tax cuts permanent, we can continue to enjoy the tremendous economic growth that is underway right now.

So I urge my colleagues to reject the Democratic substitute and support this underlying bill.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, this is one fine exercise in utter budget hypocrisy. The crowd in charge of this House has failed to produce a budget. We have no budget agreement with the Senate, it remains deadlocked in conference committee, and now they direct us to spend an afternoon on the floor in this charade of an exercise in budget responsibility.

The budget debate has been something to watch. It has been contentious, it has been mean, it has turned personal, and that is just between the Republicans. They control the White House, they control the House, they control the Senate, and they have not produced a budget. No party has had solid control of all three points of power and not produced a budget in years and years and years.

Yet, rather than resolve that naughty little issue of not having a budget, they come to the floor and preen about with this budget enforcement resolution. It is a joke.

If on the face of it, it was not ridiculous already, just look behind the circumstances, briefly. The people who have brought this to the floor are the people who have pushed this country deeply into deficits, spiraling deficits that have forced us to increase the national borrowing limit of our Nation twice because we have hit the credit limit of the United States of America. Yesterday they put one in, and this week they have put a place-holder in to raise it yet a third time, bringing debt borrowing authority to over $8 trillion. We are screaming in red ink, and they cannot get a budget.

Secondly, they bring a sham PAYGO requirement up that has nothing to do with revenues. Can my colleagues imagine a family trying to get a hold of their finances saying, honey, we have to cut back on the expenses, but because we do not count the revenue side, I am going to half-time at work because I do not want to put in so many hours.

Of course you cannot balance a budget without looking at spending, without looking at revenue, but that is expressly prohibited under their PAYGO requirement. This is a sham. It is an embarrassment to this House. Reject it.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. PUTNAM), a member of the Committee on the Budget.

(Mr. PUTNAM asked and was given permission to revise and extend his remarks.)

Mr. PUTNAM. Mr. Chairman, I thank my chairman for yielding me this time.

It is an important debate that we are having today, I think one that cuts across party lines, it cuts across generational lines, this issue of fiscal responsibility, and really keeping our word, keeping our commitment to a process that was put in place 30 years ago with the creation of the Committee on the Budget, with the commitment to control spending, to send forward a blueprint of priorities for the Federal Government, and then follow through on it.

Many people would be amazed to know, and if we could, please pull up chart 16; many people would be amazed to know that two-thirds of the Federal budget is on auto pilot. It is on auto pilot. Only one-third of the budget is subject to annual review, change that leads to a debate that leads to a vote that all of us are then held accountable for through the regular appropriations process. But two-thirds of the budget continues to grow year after year, really without direct input from the Committee on Appropriations or from the Congress as a whole. That is not good, long-term fiscal policy.

The programs within mandatory spending are worthwhile. They are important, but they are not so important that they should be exempt from congressional review. And as we move through this debate, and it is going to be a long debate, but it is an important debate; as we move through this, it is a healthy process for us to move forward with reform efforts that bring that two-thirds back under the control of the Congress and let us exert the control and take the responsibility that we were hired to take on.

I applaud our chairman and the distinguished Chairman of the Committee on Appropriations for working through these issues and having this important discussion about retaking congressional responsibility for the fiscal future of this country.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF).

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Chairman, I rise in strong opposition to this bill.

Let me tell my colleagues what James Madison from Virginia said. James Madison, who is called the Father of the Constitution, devoted five Federalist papers to an explanation of how the executive, legislative and judicial branches were to be wholly independent of each other, yet this bill would enable the President to determine what this Congress does. Madison, the Father of the Constitution, said, ''The accumulation of all powers, legislative, executive, and judicial, in the same hands, whether of one, a few, or many, may justly be pronounced the very definition of tyranny.''

Madison believed the preservation of liberty depends on the separation of powers. He said, ''Its several constituent parts may, by their mutual relations, be the means of keeping each other in their proper places.''

This bill does not keep each body in its proper place. This bill, in essence, says we will save the Congress from itself. Let us save us, and not have the President decide.

Lastly, George Washington, the Father of our country in his Farewell Address, spoke of the ''love of power and the proneness to abuse which predominates in the human heart'' and warned of the ''necessity of reciprocal checks of political power, by dividing and distributing it into different depositories and constituting each the guardian against invasions by the others.''

This basically is an invasion of the executive branch. I love President Bush. I pray for President Bush every single night. I want President Bush to be successful, but we ought not give authority and power to any branch. This should be held by the Congress.

For that reason, and for Madison, Monroe, Washington, and Jefferson, I ask for a no vote on this bill.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE), a member of the Committee on the Budget.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, spending discipline is needed and it is needed now. The time for talk is over. We have to focus on a basic budget problem, and that is spending. America cannot spend its way out of our deficit. Real action is needed, and the Nussle resolution demonstrates Congress's commitment to protecting America's taxpayers.

Mr. Chairman, earlier this year, we had a budget here in the committee and on the floor, and that budget helped to combat the deficit, cut back on the deficit. It is amazing that those same people on the other side of the aisle who say that they care so much about the deficit, so many of them did not vote in favor of it.

This resolution guarantees that we will win the budget battle. It reinstates spending controls with the force of law and ensures that Congress will stay the course in promoting a fiscally responsible budget.

□ 1645

There are some fears that by adopting this resolution Congress will turn its back on those most in need. What a great opportunity for opportunists to engage in frightening discourse trying to frighten our most vulnerable people. Obviously, this is very untrue.

First of all, we have always made funding for various groups, whether it be veterans or seniors, a top priority. Number two, we fought for these on very often a bipartisan level in the past and will continue to fight for them. Number three, will we have to make some tough decisions if spending caps are imposed? Absolutely. We will have more domestic spending, and maybe we will spend a little bit less on some of the countries that we give foreign aid to who turn their backs on us when we need them.

Our country needs a practical remedy to the deficit crisis. And this bill is the right solution at the right time.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

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

Mr. PRICE of North Carolina. Mr. Chairman, the Republican pay-as-you-go proposal makes no fiscal sense. Leaving revenues out of the picture is like trying to fill a bucket with a gaping hole in it. It simply will not work.

We did it right in 1990 when Congress and the President came together on a bipartisan basis and undertook a courageous effort to balance the Federal budget. Integral to this effort was a real pay-as-you-go rule that controlled both spending and tax cuts. The result was budget discipline that worked, and eventually the first budget surplus in decades.

Deficits are not caused by discretionary spending alone or by entitlement spending alone or by revenue shortfalls alone. All three elements contribute. And it is folly to pretend that fiscal balance can be attained without addressing all three.

Mr. Chairman, we could cut every last dime of domestic discretionary spending; we could eliminate funding for education, highways, health research, veterans health care, the environment and all the rest of the domestic discretionary budget and we would still run a deficit. Why? Because we have enacted trillions of dollars in tax cuts mainly benefiting our country's wealthiest people. And we have not paid for them.

The President and this Congress have defied the budget rules. They have abandoned fiscal sanity. The result is deficits now approaching $500 billion a year. And far from correcting this folly, this Republican budget reform bill would actually codify it.

This bill is a sham. I know it. My colleagues know it. The leadership of this Chamber knows it. And soon the American people will know it too.

Vote ''no'' on the Republicans' leaky bucket; vote ''yes'' on the Spratt substitute.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. FEENEY).

Mr. FEENEY. Mr. Chairman, I thank the distinguished chairman and appreciate his great work on this issue. I will tell my colleagues that the problem of spending in democracies is nothing new. It is not endemic to America. Churchill once said, ''There is nothing so easily learned by one government from the last government as spending other people's money.'' Indeed, spending other people's money is a very intoxicating experience.

Our Democratic friends say that PAYGO applications, finding the money as you go, ought to apply equally to tax cuts as they do to spending. I have got two reasons why that is so true. In the first place, according to Americans for Tax Reform, the average Floridian, where I represent, has to work until July 8 this year to pay for his or her share of Federal, State, local taxation and regulation. I think our Democratic friends would like every Floridian to have to work until August 8 every year to pay for their fair share of the government burden.

Secondly, what our Democratic friends do not understand is that spending is too high, but taxes are not too low.

The other last point I would make about applying PAYGO equally to tax cuts is this: if we had dynamic scoring where people could estimate the actual effects of the tax burden on people, it might be a reasonable idea. Our Democratic friends think if we trim the taxes on something like we did in the case of the luxury tax, we will get 300 percent of the revenue. What we really did was put people out of business, put people more on welfare.

On the other hand, in 1986 the Congress cut the capital gains tax from 28 percent to 20 percent, Federal revenues doubled.

Mr. Chairman, the time now is to restrain ourselves. The chairman of the Committee on the Budget and the entire committee have done a great job. I applaud them for their efforts.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I am obviously opposed to this irresponsible bill. We had some debate on May 12 when we first took up the budget resolution; and as hard as we listened, we never really got an adequate explanation for why in 1997 the Chair of the Committee on the Budget, and virtually all House Republicans voted for what is now the Democratic alternative. That was a responsible approach.

But now they are suggesting that the budget can be balanced with only a one-sided approach, which we continually explain is impossible to do. Even if you eliminate all nonmilitary domestic discretionary spending, we would not come close to balancing the budget.

So are we really talking about balancing the budget, or are we talking about another agenda? I am afraid the agenda is being driven by the right wing of the Republican Party, who would just as soon eliminate all domestic discretionary spending, Head Start, school lunch programs, health research, you name it; it should be on the cutting block as far as they are concerned. That is not what this country wants. It is not what this country deserves.

Thanks to the Republicans' tax cuts, revenues have plunged now to the lowest level of GDP since 1950. And over the last 3 years, revenue has declined 12 percent. And yet we are suggesting that we leave the revenue side of the budget alone? That is nonsense. You cannot do it when you combine the administration's out-of-control spending with this decline in revenue. The result is a budget deficit that is expected to reach half a trillion dollars this year and will reach $4.5 trillion of deficit over the next decade. That is a realistic number. That is the direction in which you are driving us. It is wrong.

The first President Bush understood that we have got to have balanced PAYGO rules. He was in favor of the Democratic approach. The Federal Reserve Chairman, Alan Greenspan, said we have got to approach both sides of the budget, the revenue side and the spending side. But yet we are going to ignore the experts, we are going to go ahead with this right wing ideological agenda, and our children are the ones who are going to pay the price for it.

I call on my colleagues to defeat this resolution, Mr. Chairman.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Chairman, I thank the chairman and the leadership of this Congress for tonight's debate of this budget resolution that will be tough and real and a discussion of meaningful reforms. And they are timely, and they are timeless.

In the year 55 B.C., Cicero wrote, ''The national budget must be balanced. The public debt must be reduced; the arrogance of the authorities must be moderated and controlled. Payments to foreign governments must be reduced, if the Nation does not want to go bankrupt.''

Real Federal spending today is at its highest level per person since World War II. And despite the conservative instincts of many of our appropriators in this Congress, the current budget process adopted by a liberal Democratic Congress in 1974 was designed for one purpose and one purpose only: to guarantee the growth of the Federal Government. And that Big Government Democratic spending scheme has worked like a charm for 30 years. In a word, Mr. Chairman, it is not the appropriators; it is the appropriation process.

So let us gather tonight in that spirit, to focus on the changes that will give our spending committee the tools that they need to do what Republicans came to Washington to do, to practice fiscal responsibility, to put our fiscal house in order and achieve a balanced Federal budget. And the stakes could not possibly be higher.

Abraham Lincoln said, and I quote, ''If we do not make common cause to save the good old ship of the Union on this voyage, nobody will have a chance to pilot her on another.''

Let us get behind these resolutions, these changes in this budget process; let us engage in the debate and serve the public's interest in the best way that a Republican Congress knows how, through fiscal discipline, through real reform.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Chairman, I rise today in strong opposition to this most fiscally irresponsible Republican budget enforcement bill. My colleagues on the other side of the aisle are right on one thing, this Congress does need to

control the outrageous budget deficit that is fast approaching $500 billion. However, if we want to make serious progress in reducing this deficit, PAYGO rules must be applied to spending and tax cuts. Exempting tax cuts from these budget enforcement rules makes no fiscal sense. Additionally, it threatens to increase the deficit and the burden on our children and our grandchildren; the one that they will have to bear is unfathomable if we do not act responsibly today.

The original PAYGO rules passed by Congress and signed by the first President Bush were essential to restoring this country's fiscal health the last time we faced record deficits. Those rules worked because they applied it to both sides of the equation, spending and tax cuts.

If my colleagues on the other side of the aisle are serious about fiscal responsibility, they would be offering a PAYGO proposal that applies it to entitlement program spending as well as tax cuts. Failing to apply PAYGO rules to tax cuts is little more than a smoke screen that seeks to hide the major contributing factor of this Nation's growing deficit.

As this country faces record deficits in increased spending on homeland security and the war in Iraq, now is the time for fiscal discipline.

When I was a freshman, the thing I was most proud of, the issues I was most proud of serving were that we had a good surplus, we had low unemployment, and we had a good budget.

This is a shame to all of us that are here. We ought to act responsibly on a bipartisan basis and come up with a decent budget proposal that not only affects spending but tax cuts as well.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT), a member of the Committee on the Budget.

Mr. GUTKNECHT. Mr. Chairman, Members, I have been listening to this debate, and I would like to distill as best I can the arguments against this bill that we are debating today.

The first one seems to be that it is not tough enough, that it does not include the ability for immediate tax increases. And if that is your reason, that is fine. Go ahead and vote against this.

The other one I think is much more complicated. I want to talk about that for a moment, and that is the separation-of-powers argument in the Constitution. Members, nothing in this bill today changes the constitutional powers that we in the Congress and the executive branch have. The President of the United States would still have the power to veto any appropriation bill or the budget bill. It simply brings the President and the Congress, both bodies in the Congress, together earlier so that we work on a common blueprint.

Imagine, if you will, just for a moment in this great structure, if we had the masons using one blueprint, and we had the carpenters using another blueprint, and the iron workers using a third blueprint. We would not wind up with this building.

What we are saying is we think everybody ought to be in there making the same blueprint from the beginning. That makes sense to every one of our constituents.

Members, look at what has happened over the last several years. From 1995 to 2000, Federal spending grew at an average rate of 3.2 percent. Since we let spending caps and PAYGO expire, that number has doubled to 6.4 percent.

This is a modest attempt to get this Congress and this Federal Government back on an even keel. I think this makes a lot of sense. It makes sense to me. It makes sense to the people that we represent. It makes sense to Alan Greenspan.

But, Members, if you are going to vote against this today, please understand you will be asked about it. Because this vote is going to be scored by the American Conservative Union, the Americans for Tax Reform, Citizens for a Sound Economy, Council for the Citizens Against Government Waste, and the National Taxpayers' Union. People are paying attention to this vote. They want us to have a solid budget. They want us to enforce it. They want us to get back to fiscal sanity, and that begins today.

□ 1700

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Mrs. CAPPS).

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

Mrs. CAPPS. Mr. Chairman, I thank my colleague for the time.

Mr. Chairman, I rise in strong support of the Spratt substitute.

The underlying bill continues to avoid the elephant in the room, the cost of endless tax cutting and its role in helping create the largest deficits in American history.

The Spratt substitute, on the other hand, will reinstitute real PAYGO provisions that might just reign in the reckless Republican majority's mismanagement of the Federal budget. I believe that this mismanagement is intentional.

While my colleagues on the other side say that they believe deficits do matter, their actions speak otherwise. In this session of Congress alone, the House has passed hundreds of billions of dollars in tax cuts. The tax cuts come even as we do not even have a budget, and the supporters do not care that the cost of these cuts will be borne by our children in the form of more debt that they will get saddled with.

Why are we allowing these huge and growing deficits? It is called ''starving the beast,'' making the deficit so huge that it gives an argument against spending for the very programs the vast majority of Americans support, support because of our beliefs in what this country stands for and where we place our values.

This fiscally irresponsible underlying bill ill serves this country.

Also, disappointing, but not surprising, is the process under which these amendments are being debated, denying the House an opportunity to have a full and open debate on such an important issue. For example, the Stenholm substitute was not allowed on the floor and the reason is simple. It would probably win. The Republican leadership simply does not want to allow the House to vote on issues where the leadership cannot win, and we have seen this time and time again. Amendments where the majority of the House is in opposition to the leadership just never see the light of day.

It is wrong and I hope Members will support the Spratt substitute and help bring a little sanity to our Federal budget.

Mr. NUSSLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Transportation and Infrastructure, for the purpose of a colloquy.

Mr. YOUNG of Alaska. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this bill reinstates the discretionary spending caps for fiscal year 2005 and 2006 and extends the highway and transit firewalls for fiscal years 2004 through 2009 at the levels contained in H.R. 3550, as passed by the House earlier this year.

The inclusion of the highway and transit firewalls in the bill before us today is an important statement that the House intends to continue the budget reforms that were achieved for the Highway Trust Fund in TEA–21.

It is my understanding that the level of the highway and transit firewalls will ultimately be determined by the conference of H.R. 3550 in which the gentleman is a member, in accordance with the fiscal year 2005 budget resolution, which provided for an adjustment in the transportation funding levels.

I would like to clarify my views with the gentleman from Iowa and ask for his assistance in ensuring that the highway and transit firewalls ultimately enacted into law will reflect the agreement of the conferees on H.R. 3550.

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

Mr. YOUNG of Alaska. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, the chairman is correct. This will, in no way, limit the decision of the conferees for H.R. 3550, the level of highway and transit firewalls. It will be determined consistent with the fiscal year 2005 budget resolution and the contingency procedure contained therein in the conference report on H.R. 3550.

In either case, this is consistent with the fiscal year 2005 budget resolution, and it allows not as a ceiling but a floor to that conference report.

Mr. YOUNG of Alaska. Mr. Chairman, I thank the gentleman for this colloquy.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The Chair would advise that the gentleman from Iowa's (Mr. NUSSLE) time has expired.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I thank my friend for yielding me time, and I rise in opposition to the Republican budget legislation.

Mr. Chairman, we are here today to debate a very important issue, and that is reinstituting fiscal disciplinary rules in the budget process. We need a meaningful pay-as-you-go rule, one that offsets both spending and tax cuts to achieve balance.

Unfortunately, what is before us today is more like ''pray-as-you-go'' or more like ''pay-a-little-bit-as-you-go'' and leave a legacy of debt to the next generation to inherit.

Unfortunately, we hear a lot of talk on the other side that the problem is always spending, too much spending. Well, if that is the case, then what have you been doing the last 4 years? Republicans have been in control of the House of Representatives. Republicans have been in control of the Senate. There is a Republican President sitting in the White House, and he has not vetoed one spending bill in the last 4 years. Instead, he inherits a 5.6 projected surplus, converts it into a $3 trillion deficit and now claims that spending has run away.

Instead, we could go back to a tried and true method that worked in the 1990s, a pay-as-you-go rule that made sense and brought balance and then budget surpluses that actually allowed us to reduce the national debt. That is what the Spratt substitute allows, and I encourage my colleagues to support the Spratt substitute.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, I rise in strong opposition to the Republican smokescreen.

It makes infinitely more sense to debate budget reform before voting on a budget, but that kind of common sense regularly escapes this majority and it is why there has not been a budget agreement for over 4 months. In fact, this House has been on a session-long recess when it comes to addressing the health care crisis, educational crisis and retirement security crisis in America.

That is because the majority is scared of being honest with the American people. This is a smoke screen, none of which is going to fool the American people that you are responsible for $3 trillion in additional debt and an annual deficit of $500 billion dollars.

This legislation ignores the advice of Chairman Greenspan, who said it would be a grave mistake to let pay-as-you-go budget enforcement rules expire. This bill even ignores the advice of the gentleman from Iowa, the chairman of the Committee on the Budget, who said just 2 years ago that pay-as-you-go contributed to taming the deficits.

The chairman voted for those rules in 1997. They were good in 1997; they are good now. That vote ensured we made choices, lived within our means and ensured we were held accountable for what we do. Those who voted for the bill in 1997 made sure that we lived within our means, that we made choices as we governed.

The 1990s achieved record economic times: 22 million more jobs; health care and tax cuts for middle class families; 10 million more children without health insurance got insurance; college doors were opened; Social Security was secure. Those are the choices we made and we did it and balanced the budget while we cut taxes for middle class families. Those are the right economic times.

Today, what do we have? Health care costs have gone up by a third. College costs have gone up by 26 percent in the last 2 years. Personal bankruptcies are up by a third since 2000, and in fact, you all want to lay the sign ''mission Accomplished'' above the economy. This economy is not working for the American people and your budget and your $500 billion worth of deficits are the results that the American people have to turn to their children and make them pay their way out of it.

We turned our back on what we learn in the 1990s. If you are in a hole, the first thing to do is stop digging.

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 3 minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for the time. I also thank him for the good work he has done in bringing some rationale and reason to this process that really impacts the lives of Americans and really the lives of our friends and allies around the world.

I would like to remind my friends that we are at war. This is a difficult time for America. It is a time of sacrifice, but I think it is important to note that the budget resolution that my good friends on the other side of the aisle are trying to shove down this Congress' throat is $18.9 billion for individuals making over $1 million. Is that sacrifice, Mr. Chairman? It is not.

We are standing here today to ask for at least a little hope, a little understanding, a little reason. The Spratt amendment, the substitute that will be on the floor, speaks to reason. Would my colleagues accept the fact that we are at war? Three of our young men, women lost their lives in the last 24 hours in Iraq; $25 billion is going out over the next couple of days; more money will be asked for Iraq and Afghanistan, and yet we want to give $18.9 billion away.

Mr. Chairman, that is not creating any jobs in America, but yet we have legislation that we hope will pass that will invest in quality health care for veterans. Can my colleagues believe it, they are cutting veterans dollars.

Give us critical investments in education. Help us with the long-term unemployed. Some of them are off the unemployment list and never heard from again. Provide for the children who are vulnerable and as well provide the investment in clean water.

We are at war. It is time for sacrifice. We need the Spratt substitute. We do not need $18.9 billion to be given to those making over $1 million. I would ask for a ''no'' vote, and a ''yes'' vote on the Spratt amendment.

Mr. SPRATT. Mr. Chairman, I yield the balance of our time, 1½ minutes, to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me time.

We have heard a lot of people say the budget is good. We have heard some people say it is bad. We have heard some people casting blame, and we have heard some people making excuses. I think it is just helpful to start off with what the facts are.

This is a chart showing the deficit back to the Johnson administration, a little bit of deficit, Nixon, Ford, Carter, Reagan and Bush deficit, Clinton from deficit to surplus, Bush deficit. The swing from the surplus to the deficit, $750 billion.

Now, let us put that in perspective. If we look at the revenue, individual income tax, what everybody pays in individual income tax, $800 billion; deterioration in the deficit, 750. Now, when we run up that kind of debt, we run up interest in the national debt. This is the chart that showed that by 2009, we would be paying virtually nothing in interest on the national debt because we had enough surplus to pay off the national debt. This chart shows that we are going to be paying $300 billion a year in interest in the national debt, $300 billion. At $30,000 each, that is enough to hire 10 million people, more than the total number of people drawing unemployment today.

We said we got into that mess to create jobs. This is the chart showing the average job growth, Ford administration back to the Hoover administration. Everybody is net plus until we get to this administration. People look at this chart and say the job growth is good, job growth is bad. Make your own decision.

Mr. BACA. Chairman, I ask unanimous consent to revise and extend my remarks. I rise in opposition to H.R. 4663, the Republican

Budget Enforcement bill and in support of the Spratt Democratic substitute.

This bill is an irresponsible attempt to place the burden of reducing the large budget deficit brought about by huge, new tax cuts on the backs of the vast majority of Americans. The bill relies on one-sided pay-as-you-go rules that will worsen the deficit rather than improve it. The Budget Enforcement bill slashes spending on public services important to all Americans but allows unlimited deficits for tax cuts.

If that wasn't bad enough, the Republican amendments also included this pay-go provision as well as an entitlement cap that would put important government services at risk. Republicans would require that any improvements in entitlement programs be offset with cuts in programs like Medicaid, Medicare, veterans programs, food stamps, and student loans. As a result of the entitlement cap, veterans will get $1.3 billion less than what the House Veterans' Affairs Committee says it needs for veterans' health care programs next year. Education would be cut by more than $1.5 billion in 2006. All these programs would be cut so that important national priorities like tax cuts for the wealthy can be spared. This is their definition of compassionate conservatism.

Because the republican bill would cap nondefense discretionary spending, investments in real priorities like education, veterans' medical care, and law enforcement would be reduced. More Americans will be without access to adequate health care, more students will be left without financial resources to go to college, and more families will be left without hope.

Instead, I support the Spratt substitute amendment, which would establish effective pay-go rules for both spending and tax cuts. Just in case I need to remind anyone, that is the plan that led us out of the first Bush recession into an era of record surpluses in the 1990s.

Let's give our children, our veterans and all Americans the resources they need and support the Spratt substitute amendment and oppose the Republican Budget Enforcement bill.

Mr. PAUL. Mr. Chairman, I support H.R. 4663, the Spending Control Act of 2004, because I believe those of us concerned about the effects of excessive government spending on American liberty and prosperity should support any effort to rein in spending. However, I hold no great expectations that this bill will result in a new dawn of fiscal responsibility. In fact, since this bill is unlikely to pass the Senate, the main effect of today's vote will be to allow members to brag to their constituents that they voted to keep a lid on spending. Many of these members will not tell their constituents that latter this year they will likely vote for a budget busting, pork laden, omnibus spending bill that most members will not even have a chance to read before voting. In fact, last week, many members who I am sure will vote for H.R. 4663 voted against cutting funding for the National Endowment for the Arts (NEA). Last November, many of these same members vote for the greatest expansion of the welfare state since the Great Society. If Congress cannot even bring itself to cut the budget of the NEA or refuse to expand the welfare state, what are the odds that Congress will make the tough choices necessary to restore fiscal order, much less Constitutional government?

Even if this bill becomes law, it is likely that the provision in this bill allowing spending for emergency purposes to exceed the bill's spending caps will prove to be an easily abused loophole allowing future Congresses to avoid the spending limitations in this bill. I am also concerned that, by not applying the spending caps to international of military programs, this bill invites future Congresses to misplace priorities, and ignores a major source of fiscal imprudence. Congress will not get our fiscal house in order until we seriously examine our overseas commitments, such as giving welfare to multinational corporations and subsidizing the defense of allies who are perfectly capable of defending themselves.

Congress already has made numerous attempts to restore fiscal discipline, and none of them has succeeded. Even the much-heralded "surpluses" of the nineties were due to the Federal Reserve creating an economic boom and Congress continuing to raid the Social Security trust fund. The surplus was not caused by a sudden outbreak of fiscal conservativism in Washington, DC.

The only way Congress will cease excessive spending is by rejecting the idea that the Federal Government has the authority and the competence to solve all ills, both domestic and international. If the last century taught us anything, it was that big government cannot create utopia. Yet, too many members believe that we can solve all economic problems, eliminate all social ills, and bring about worldwide peace and prosperity by simply creating new federal programs and regulations. However, the well-intended efforts of Congress have exacerbated America's economic and social problems. Meanwhile our international meddling has failed to create perpetual peace but rather lead to perpetual war for perpetual peace.

Every member of Congress has already promised to support limited government by swearing to uphold the United States Constitution. The Constitution limits the Federal Government to a few, well-defined functions. A good start toward restoring Constitutional government would be debating my Liberty amendment (H.J. Res. 15). The Liberty amendment repeals the 16th amendment, thus eliminating the income tax the source of much of the growth of government and loss of individual liberty. The Liberty amendment also explicitly limits the Federal Government to those functions it is Constitutionally authorized to perform.

If Congress were serious about reining in government, it would also eliminate the Federal Reserve Board's ability to inflate the currency. Federal Reserve policy enables excessive government spending by allowing the government to monitorize the debt, and hide the cost of big government through the hidden tax of inflation.

In 1974, during debate on the Congressional Budget Reform and Impoundment Control Act, Congressman H.R. Gross, a libertarian-conservative from Iowa, eloquently addressed the flaws in thinking that budget process reform absent the political will to cut spending would reduce the size of government. Mr. Speaker, I would like to conclude my remarks by quoting Mr. Gross:

> Every Member knows that he or she cannot for long spend $75,000 a year on a salary of $42,500 and remain solvent. Every member knows this Government cannot forever spend billions beyond tax revenue and endure.
>
> Congress already has the tools to halt the headlong flight into bankruptcy. It holds the purse strings. No President can impound funds or spend unwisely unless an improvident, reckless Congress makes available the money.

I repeat, neither this nor any other legislation will provide morality and responsibility on the part of Members of Congress.

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. 4663 is as follows:

H.R. 4663

*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 ''Spending Control Act of 2004''.

**SEC. 2. EXTENSION OF DISCRETIONARY SPENDING LIMITS.**

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 251(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to fiscal year 2004) is amended—

(A) in subparagraph (A), by striking ''$31,834,000,000'' and inserting ''$28,052,000,000''; and

(B) in subparagraph (B), by striking ''$1,462,000,000'' and inserting ''$1,436,000,000'' and by striking ''$6,629,000,000'' and inserting ''$6,271,000,000''.

(2) Section 251(c)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2005'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $817,726,000,000 in new budget authority and $866,056,000,000 in outlays;

''(B) for the highway category: $30,585,000,000 in outlays; and

''(C) for the mass transit category: $1,554,000,000 in new budget authority and $6,787,000,000 in outlays; and''.

(3) Section 251(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2006'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $839,167,000,000 in new budget authority and $851,731,000,000 in outlays;

''(B) for the highway category: $33,271,000,000 in outlays; and

''(C) for the mass transit category: $1,671,000,000 in new budget authority and $7,585,000,000 in outlays; and''.

(4) Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating paragraphs (4) through (9) as paragraphs (7) through (12) and inserting after paragraph (3) the following new paragraphs:

''(4) with respect to fiscal year 2007—

''(A) for the highway category: $35,248,000,000 in outlays; and

''(B) for the mass transit category: $1,785,000,000 in new budget authority and $8,110,000,000 in outlays;

''(5) with respect to fiscal year 2008—

''(A) for the highway category: $36,587,000,000 in outlays; and

''(B) for the mass transit category: $1,890,000,000 in new budget authority and $8,517,000,000 in outlays; and

''(6) with respect to fiscal year 2009—

''(A) for the highway category: $37,682,000,000 in outlays; and

''(B) for the mass transit category: $2,017,000,000 in new budget authority and $8,968,000,000 in outlays;''.

(b) DEFINITIONS.—Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subparagraph (B), by—

(A) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003'' and inserting ''the Transportation Equity Act: A Legacy for Users''; and

(B) inserting before the period at the end the following new clauses:

''(v) 69-8158-0-7-401 (Motor Carrier Safety Grants).

''(vi) 69-8159-0-7-401 (Motor Carrier Safety Operations and Programs).'';

(2) in subparagraph (C), by—

(A) inserting ''(and successor accounts)'' after ''budget accounts''; and

(B) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003 or for which appropriations are provided pursuant to authorizations contained in those Acts (except that appropriations provided pursuant to section 5338(h) of title 49, United States Code, as amended by the Transportation Equity Act for the 21st Century, shall not be included in this category)'' and inserting ''the Transportation Equity Act: A Legacy for Users or for which appropriations are provided pursuant to authorizations contained in that Act''; and

(3) in subparagraph (D)(ii), by striking ''section 8103 of the Transportation Equity Act for the 21st Century'' and inserting ''section 8103 of the Transportation Equity Act: A Legacy for Users''.

**SEC. 3. ADJUSTMENTS TO ALIGN HIGHWAY SPENDING WITH REVENUES.**

Subparagraphs (B) through (E) of section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''(B) ADJUSTMENT TO ALIGN HIGHWAY SPENDING WITH REVENUES.—(i) When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall make adjustments to the highway category for the budget year and each outyear as provided in clause (ii)(I)(cc).

''(ii)(I)(aa) OMB shall take the actual level of highway receipts for the year before the current year and subtract the sum of the estimated level of highway receipts in subclause (II) plus any amount previously calculated under item (bb) for that year.

(bb) OMB shall take the current estimate of highway receipts for the current year and subtract the estimated level of receipts for that year.

''(cc) OMB shall add one-half of the sum of the amount calculated under items (aa) and (bb) to the obligation limitations set forth in the section 8103 of the Transportation Equity Act: A Legacy for Users and, using current estimates, calculate the outlay change resulting from the change in obligations for the budget year and the first outyear and the outlays flowing therefrom through subsequent fiscal years. After making the calculations under the preceding sentence, OMB shall adjust the amount of obligations set forth in that section for the budget year and the first outyear by adding one-half of the sum of the amount calculated under items (aa) and (bb) to each such year.

''(II) The estimated level of highway receipts for the purposes of this clause are—

''(aa) for fiscal year 2004, $30,572,000,000;

''(bb) for fiscal year 2005, $34,260,000,000;

''(cc) for fiscal year 2006, $35,586,000,000;

''(dd) for fiscal year 2007, $36,570,000,000;

''(ee) for fiscal year 2008, $37,603,000,000; and

''(ff) for fiscal year 2009, $38,651,000,000.

''(III) In this clause, the term 'highway receipts' means the governmental receipts credited to the highway account of the Highway Trust Fund.

''(C) In addition to the adjustment required by subparagraph (B), when the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall calculate and the budget shall include for the budget year and each outyear an adjustment to the limits on outlays for the highway category and the mass transit category equal to—

''(i) the outlays for the applicable category calculated assuming obligation levels consistent with the estimates prepared pursuant to subparagraph (D), as adjusted, using current technical assumptions; minus

''(ii) the outlays for the applicable category set forth in the subparagraph (D) estimates, as adjusted.

''(D)(i) When OMB and CBO submit their final sequester report for fiscal year 2004, that report shall include an estimate of the outlays for each of the categories that would result in fiscal years 2005 through 2009 from obligations at the levels specified in section 8103 of the Transportation Equity Act: A Legacy for Users using current assumptions.

''(ii) When the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall adjust the estimates made in clause (i) by the adjustments by subparagraphs (B) and (C).

''(E) OMB shall consult with the Committees on the Budget and include a report on adjustments under subparagraphs (B) and (C) in the preview report.''.

**SEC. 4. LEVEL OF OBLIGATION LIMITATIONS.**

(a) HIGHWAY CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the highway category is—

(1) for fiscal year 2004, $34,309,000,000;

(2) for fiscal year 2005, $35,671,000,000;

(3) for fiscal year 2006, $36,719,000,000;

(4) for fiscal year 2007, $37,800,000,000;

(5) for fiscal year 2008, $38,913,000,000; and

(6) for fiscal year 2009, $40,061,000,000.

(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

(1) for fiscal year 2004, $7,266,000,000;

(2) for fiscal year 2005, $7,750,000,000;

(3) for fiscal year 2006, $8,266,000,000;

(4) for fiscal year 2007, $8,816,000,000;

(5) for fiscal year 2008, $9,403,000,000; and

(6) for fiscal year 2009, $10,029,000,000.

For purposes of this subsection, the term ''obligation limitations'' means the sum of budget authority and obligation limitations.

**SEC. 5. ADVANCE APPROPRIATIONS.**

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subsection:

''(d) ADVANCE APPROPRIATIONS.—In any of fiscal years 2005 through 2006, discretionary advance appropriations provided in appropriation Acts in excess of $23,558,000,000 shall be counted against the discretionary spending limits for the fiscal year for which the appropriation Act containing the advance appropriation is enacted.''.

**SEC. 6. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

(a) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(a) PURPOSE.—The purpose of this section is to assure that any legislation that is enacted before October 1, 2009, that causes a net increase in direct spending will trigger an offsetting sequestration.''.

(b) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''any net deficit increase'' and all that follows through ''2002,'' and by inserting ''any net increase in direct spending enacted before October 1, 2009,''.

(c) CALCULATION OF DIRECT SPENDING INCREASE.—Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking ''deficit'' the first place it appears and inserting ''direct spending'';

(2) in subparagraph (A) by striking ''and receipts'';

(3) in subparagraph (C) by striking ''and receipts''; and

(4) by amending the heading to read as follows: ''CALCULATION OF DIRECT SPENDING INCREASE.—''.

(d) CONFORMING AMENDMENTS.—(1) The heading of section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: ''ELIMINATING A DIRECT SPENDING INCREASE.—''.

(2) Paragraphs (1), (2), and (4) of section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''or receipts'' each place it appears.

(3) Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''or receipts'' and by striking '', outlays, and receipts'' and inserting ''and outlays''.

(4) Section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subparagraph (A) by striking ''net deficit increase or decrease'' and by inserting ''net increase or decrease in direct spending'';

(B) in subparagraph (B) by striking ''amount of deficit increase or decrease'' and by inserting ''increase or decrease in direct spending''; and

(C) in subparagraph (C) by striking ''a deficit increase'' and by inserting ''an increase in direct spending''.

**SEC. 7. DEFINITIONS.**

(a) IN GENERAL.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraphs:

''(20) The term 'advance appropriation' means appropriations that first become available one fiscal year or more beyond the fiscal year for which an appropriation Act making such funds available is enacted.

''(21)(A) Except as provided by subparagraph (B), the term 'emergency requirement' means any provision that provides new budget authority and resulting outlays for a situation that poses a threat to life, property, or national security and is—

''(i) sudden, quickly coming into being, and not building up over time;

''(ii) an urgent, pressing, and compelling need requiring immediate action;

''(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

''(iv) not permanent, temporary in nature.

''(B) An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.''.

(b) FIRE SUPPRESSION; CONTINGENCY OPERATIONS RELATED TO GLOBAL WAR ON TERRORISM.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(I) FIRE SUPPRESSION.—(i) If a bill or joint resolution is enacted that provides new budget authority for wildland fire suppression for fiscal year 2005 or fiscal year 2006 that would cause the level of total new budget authority for wildland fire suppression to

exceed the base amount for that fiscal year, the adjustment for that fiscal year shall be the additional new budget authority provided for such purpose and the additional outlays flowing from such amounts, but shall not exceed—

''(I) for the Forest Service for fiscal year 2005 or fiscal year 2006 (as applicable), $400,000,000; and

''(II) for the Department of the Interior for fiscal year 2005 or fiscal year 2006 (as applicable), $100,000,000.

''(ii) For this subparagraph, the term ''base amount'' refers to the average of the obligations of the 10 fiscal years preceding the current year for wildfire suppression in the Forest Service and in the Department of the Interior, as calculated by OMB, but for fiscal year 2005 the base amount is $880,000,000.

''(J) CONTINGENCY OPERATIONS RELATED TO GLOBAL WAR ON TERRORISM.—If, for fiscal year 2005, appropriations for discretionary accounts are enacted for contingency operations related to the global war on terrorism that, pursuant to this subparagraph, the President designates as a contingency operation related to the global war on terrorism and the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts so designated, but not to exceed $50,000,000,000, and the outlays flowing in all fiscal years from such appropriations.''.

(c) CONFORMING AMENDMENT.—The second sentence of section 250(c)(4)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: ''The general purpose discretionary category shall consist of accounts designated in the joint explanatory statement of managers accompanying the conference report on the Spending Control Act of 2004.''.

**SEC. 8. PROJECTIONS UNDER SECTION 257.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after paragraph (6) the following new paragraph:

''(7) EMERGENCIES.—New budgetary resources designated under section 251(b)(2)(A) or 251(b)(2)(J) shall not be assumed beyond the fiscal year for which they have been enacted.''.

**SEC. 9. EXCEPTION FOR OUTLAY COMPONENTS OF EXPIRING RECEIPTS LEGISLATION.**

Section 252(d)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''and'' at the end of subparagraph (A), by striking the period and inserting ''; and'' at the end of subparagraph (B), and by adding at the end the following new subparagraph:

''(C) extending provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 or provisions in sections 101 through 104, section 202, or sections 301 and 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003.''.

**SEC. 10. REPORTS.**

Subsections (c)(2) and (f)(2)(A) of section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''2002'' and inserting ''2006 (or 2009 solely for purposes of enforcing the discretionary spending limits for the highway and mass transit categories)''.

**SEC. 11. EXPIRATION.**

Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2006 (or 2009 solely for purposes of enforcing the discretionary spending limits for the highway and mass transit categories)'' and by striking ''2006'' and inserting ''2013''.

**SEC. 12. TECHNICAL CORRECTIONS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.**

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In section 250(a), strike ''SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES'' and insert ''Sec. 256. General and special sequestration rules'' in the item relating to section 256.

(2) In subparagraphs (F), (G), (H), (I), (J), and (K) of section 250(c)(4), insert ''subparagraph'' after ''described in'' each place it appears.

(3) In section 250(c)(18), insert ''of'' after ''expenses''.

(4) In section 251(b)(1)(A), strike ''committees'' the first place it appears and insert ''Committees''.

(5) In section 251(b)(1)(C)(i), strike ''fiscal years'' and insert ''fiscal year''.

(6) In section 251(b)(1)(D)(ii), strike ''fiscal years'' and insert ''fiscal year''.

(7) In section 252(b)(2)(B), insert ''the'' before ''budget year''.

(8) In section 252(c)(1)(C)(i), strike ''paragraph (1)'' and insert ''subsection (b)''.

(9) In section 254(c)(3)(A), strike ''subsection'' and insert ''section''.

(10) In section 254(f)(4), strike ''subsection'' and insert ''section'' and strike ''sequesterable'' and insert ''sequestrable''.

(11) In section 255(g)(1)(B), move the fourteenth undesignated clause 2 ems to the right.

(12) In section 255(g)(2), insert ''and'' after the semicolon at the end of the next-to-last undesignated clause.

(13) In section 255(h)—

(A) strike ''and'' after the semicolon in the ninth undesignated clause;

(B) insert ''and'' after the semicolon at the end of the tenth undesignated clause; and

(C) strike the semicolon at the end and insert a period.

(14) In section 256(k)(1), strike ''paragraph (5)'' and insert ''paragraph (6)''.

(15) In section 257(b)(2)(A)(i), strike ''differenes'' and insert ''differences''.

The CHAIRMAN. No amendment to the bill shall be in order except those printed in House Report 108–566. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in House Report 108–566.

AMENDMENT NO. 1 OFFERED BY MR. BRADY OF TEXAS

Mr. BRADY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BRADY of Texas:

Page 2, after line 3, insert the following: ''TITLE I—EXTENSION OF DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS''.

Redesignate sections 2 through 9 as sections 101 through 108, respectively, and on page 10, after line 21, add the following new title:

**TITLE II—ESTABLISHMENT OF FEDERAL AGENCY SUNSET COMMISSION**

**SEC. 201. REVIEW AND ABOLISHMENT OF FEDERAL AGENCIES.**

(a) SCHEDULE FOR REVIEW.—Not later than one year after the date of the enactment of this Act, the Federal Agency Sunset Commission established under section 202 (in this title referred to as the ''Commission'') shall submit to Congress a schedule for review by the Commission, at least once every 12 years (or less, if determined appropriate by Congress), of the abolishment or reorganization of each agency.

(b) REVIEW OF AGENCIES PERFORMING RELATED FUNCTIONS.—In determining the schedule for review of agencies under subsection (a), the Commission shall provide that agencies that perform similar or related functions be reviewed concurrently to promote efficiency and consolidation.

(c) ABOLISHMENT OF AGENCIES.—

(1) IN GENERAL.—Each agency shall—

(A) be reviewed according to the schedule created pursuant to this section; and

(B) be abolished not later than one year after the date that the Commission completes its review of the agency pursuant to such schedule, unless the agency is reauthorized by the Congress.

(2) EXTENSION.—The deadline for abolishing an agency may be extended for an additional two years after the date described in paragraph (1)(B) if the Congress enacts legislation extending such deadline by a vote of a super majority of the House of Representatives and the Senate.

**SEC. 202. ESTABLISHMENT OF COMMISSION.**

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Federal Agency Sunset Commission''.

(b) COMPOSITION.—The Commission shall be composed of 12 members (in this title referred to as the ''members'') who shall be appointed as follows:

(1) Six members shall be appointed by the Speaker of the House of Representatives, one of whom may include the Speaker of the House of Representatives, with minority members appointed with the consent of the minority leader of the House of Representatives.

(2) Six members shall be appointed by the majority leader of the Senate, one of whom may include the majority leader of the Senate, with minority members appointed with the consent of the minority leader of the Senate.

(c) QUALIFICATIONS OF MEMBERS.—

(1) IN GENERAL.—(A) Of the members appointed under subsection (b)(1), four shall be members of the House of Representatives (not more than two of whom may be of the same political party), and two shall be an individual described in subparagraph (C).

(B) Of the members appointed under subsection (b)(2), four shall be members of the Senate (not more than two of whom may be of the same political party) and two shall be an individual described in subparagraph (C).

(C) An individual under this subparagraph is an individual—

(i) who is not a member of Congress; and

(ii) with expertise in the operation and administration of Government programs.

(2) CONTINUATION OF MEMBERSHIP.—If a member was appointed to the Commission as a Member of Congress and the member ceases to be a Member of Congress, that member shall cease to be a member of the Commission. The validity of any action of the Commission shall not be affected as a result of a member becoming ineligible to serve as a member for the reasons described in this paragraph.

(d) INITIAL APPOINTMENTS.—All initial appointments to the Commission shall be made

not later than 90 days after the date of the enactment of this Act.

(e) CHAIRMAN; VICE CHAIRMAN.—

(1) INITIAL CHAIRMAN.—An individual shall be designated by the Speaker of the House of Representatives from among the members initially appointed under subsection (b)(1) to serve as chairman of the Commission for a period of 2 years.

(2) INITIAL VICE-CHAIRMAN.—An individual shall be designated by the majority leader of the Senate from among the individuals initially appointed under subsection (b)(2) to serve as vice-chairman of the Commission for a period of two years.

(3) ALTERNATE APPOINTMENTS OF CHAIRMEN AND VICE-CHAIRMEN.—Following the termination of the two-year period described in paragraphs (1) and (2), the Speaker and the majority leader shall alternate every two years in appointing the chairman and vice-chairman of the Commission.

(f) TERMS OF MEMBERS.—

(1) MEMBERS OF CONGRESS.—Each member appointed to the Commission who is a member of Congress shall serve for a term of six years, except that, of the members first appointed under paragraphs (1) and (2) of subsection (b), 2 members shall be appointed to serve a term of three years under each such paragraph.

(2) OTHER MEMBERS.—Each member of the Commission who is not a member of Congress shall serve for a term of three years.

(3) TERM LIMIT.—(A) A member of the Commission who is a member of Congress and who serves more than three years of a term may not be appointed to another term as a member.

(B) A member of the Commission who is not a member of Congress and who serves as a member of the Commission for more than 56 months may not be appointed to another term as a member.

(g) POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths to witnesses appearing before it.

(2) OBTAINING INFORMATION.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this title. Upon request of the Chairman, the head of that department or agency shall furnish that information to the Commission in a full and timely manner.

(3) SUBPOENA POWER.—(A) The Commission may issue a subpoena to require the attendance and testimony of witnesses and the production of evidence relating to any matter under investigation by the Commission.

(B) If a person refuses to obey an order or subpoena of the Commission that is issued in connection with a Commission proceeding, the Commission may apply to the United States district court in the judicial district in which the proceeding is held for an order requiring the person to comply with the subpoena or order.

(4) IMMUNITY.—The Commission is an agency of the United States for purposes of part V of title 18, United States Code (relating to immunity of witnesses).

(5) CONTRACT AUTHORITY.—The Commission may contract with and compensate government and private agencies or persons for services without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(h) COMMISSION PROCEDURES.—

(1) MEETINGS.—The Commission shall meet at the call of the Chairman.

(2) QUORUM.—Seven members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(i) PERSONNEL MATTERS.—

(1) COMPENSATION.—Members shall not be paid by reason of their service as members.

(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(3) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Chairman. The Director shall be paid at a rate not to exceed the maximum rate of basic pay payable for GS–15 of the General Schedule.

(4) STAFF.—The Director may appoint and fix the pay of additional personnel as the Director considers appropriate.

(5) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(j) OTHER ADMINISTRATIVE MATTERS.—

(1) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the United States.

(2) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this title.

(3) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(k) SUNSET OF COMMISSION.—The Commission shall terminate on December 31, 2026, unless reauthorized by Congress.

**SEC. 203. REVIEW OF EFFICIENCY AND NEED FOR FEDERAL AGENCIES.**

(a) IN GENERAL.—The Commission shall review the efficiency and public need for each agency in accordance with the criteria described in section 204.

(b) RECOMMENDATIONS; REPORT TO CONGRESS.—The Commission shall submit to Congress and the President not later than September 1 of each year a report containing—

(1) an analysis of the efficiency of operation and public need for each agency to be reviewed in the year in which the report is submitted pursuant to the schedule submitted to Congress under section 201;

(2) recommendations on whether each such agency should be abolished or reorganized;

(3) recommendations on whether the functions of any other agencies should be consolidated, transferred, or reorganized in an agency to be reviewed in the year in which the report is submitted pursuant to the schedule submitted to Congress under section 201; and

(4) recommendations for administrative and legislative action with respect to each such agency, but not including recommendations for appropriation levels.

(c) DRAFT LEGISLATION.—The Commission shall submit to Congress and the President not later than September 1 of each year a draft of legislation to carry out the recommendations of the Commission under subsection (b).

(d) INFORMATION GATHERING.—The Commission shall—

(1) conduct public hearings on the abolishment of each agency reviewed under subsection (b);

(2) provide an opportunity for public comment on the abolishment of each such agency;

(3) require the agency to provide information to the Commission as appropriate; and

(4) consult with the General Accounting Office, the Office of Management and Budget, the Comptroller General, and the chairman and ranking minority members of the committees of Congress with oversight responsibility for the agency being reviewed regarding the operation of the agency.

(e) USE OF PROGRAM INVENTORY.—The Commission shall use the program inventory prepared under section 208 in reviewing the efficiency and public need for each agency under subsection (a).

**SEC. 204. CRITERIA FOR REVIEW.**

The Commission shall evaluate the efficiency and public need for each agency pursuant to section 203(a) using the following criteria:

(1) The effectiveness, and the efficiency of the operation of, the programs carried out by each such agency.

(2) Whether the programs carried out by the agency are cost-effective.

(3) Whether the agency has acted outside the scope of its original authority, and whether the original objectives of the agency have been achieved.

(4) Whether less restrictive or alternative methods exist to carry out the functions of the agency.

(5) The extent to which the jurisdiction of, and the programs administered by, the agency duplicate or conflict with the jurisdiction and programs of other agencies.

(6) The potential benefits of consolidating programs administered by the agency with similar or duplicative programs of other agencies, and the potential for consolidating such programs.

(7) The number and types of beneficiaries or persons served by programs carried out by the agency.

(8) The extent to which any trends, developments, and emerging conditions that are likely to affect the future nature and extent of the problems or needs that the programs carried out by the agency are intended to address.

(9) The extent to which the agency has complied with the provisions contained in the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(10) The promptness and effectiveness with which the agency seeks public input and input from State and local governments on the efficiency and effectiveness of the performance of the functions of the agency.

(11) Whether the agency has worked to enact changes in the law that are intended to benefit the public as a whole rather than the specific business, institution, or individuals that the agency regulates.

(12) The extent to which the agency has encouraged participation by the public as a whole in making its rules and decisions rather than encouraging participation solely by those it regulates.

(13) The extent to which the public participation in rulemaking and decisionmaking of the agency has resulted in rules and decisions compatible with the objectives of the agency.

(14) The extent to which the agency complies with section 552 of title 5, United States Code (commonly known as the ''Freedom of Information Act'').

(15) The extent to which the agency complies with equal employment opportunity requirements regarding equal employment opportunity.

(16) The extent of the regulatory, privacy, and paperwork impacts of the programs carried out by the agency.

(17) The extent to which the agency has coordinated with State and local governments in performing the functions of the agency.

(18) The potential effects of abolishing the agency on State and local governments.

(19) The extent to which changes are necessary in the authorizing statutes of the agency in order that the functions of the agency can be performed in the most efficient and effective manner.

**SEC. 205. COMMISSION OVERSIGHT.**

(a) MONITORING OF IMPLEMENTATION OF RECOMMENDATIONS.—The Commission shall monitor implementation of laws enacting provisions that incorporate recommendations of the Commission with respect to abolishment or reorganization of agencies.

(b) MONITORING OF OTHER RELEVANT LEGISLATION.—

(1) IN GENERAL.—The Commission shall review and report to Congress on all legislation introduced in either house of Congress that would establish—

(A) a new agency;

(B) a new program to be carried out by an existing agency.

(2) REPORT TO CONGRESS.—The Commission shall include in each report submitted to Congress under paragraph (1) an analysis of whether—

(A) the functions of the proposed agency or program could be carried out by one or more existing agencies;

(B) the functions of the proposed agency or program could be carried out in a less restrictive manner than the manner proposed in the legislation; and

(C) the legislation provides for public input regarding the performance of functions by the proposed agency or program.

**SEC. 206. RULEMAKING AUTHORITY.**

The Commission may promulgate such rules as necessary to carry out this title.

**SEC. 207. RELOCATION OF FEDERAL EMPLOYEES.**

If the position of an employee of an agency is eliminated as a result of the abolishment of an agency in accordance with this title, there shall be a reasonable effort to relocate such employee to a position within another agency.

**SEC. 208. PROGRAM INVENTORY.**

(a) PREPARATION.—The Comptroller General and the Director of the Congressional Budget Office, in cooperation with the Director of the Congressional Research Service, shall prepare an inventory of Federal programs (in this title referred to as the ''program inventory'') within each agency.

(b) PURPOSE.—The purpose of the program inventory is to advise and assist the Congress and the Commission in carrying out the requirements of this title. Such inventory shall not in any way bind the committees of the Senate or the House of Representatives with respect to their responsibilities under this title and shall not infringe on the legislative and oversight responsibilities of such committees. The Comptroller General shall compile and maintain the inventory and the Director of the Congressional Budget Office shall provide budgetary information for inclusion in the inventory.

(c) INVENTORY CONTENT.—The program inventory shall set forth for each program each of the following matters:

(1) The specific provision or provisions of law authorizing the program.

(2) The committees of the Senate and the House of Representatives which have legislative or oversight jurisdiction over the program.

(3) A brief statement of the purpose or purposes to be achieved by the program.

(4) The committees which have jurisdiction over legislation providing new budget authority for the program, including the appropriate subcommittees of the Committees on Appropriations of the Senate and the House of Representatives.

(5) The agency and, if applicable, the subdivision thereof responsible for administering the program.

(6) The grants-in-aid, if any, provided by such program to State and local governments.

(7) The next reauthorization date for the program.

(8) A unique identification number which links the program and functional category structure.

(9) The year in which the program was originally established and, where applicable, the year in which the program expires.

(10) Where applicable, the year in which new budget authority for the program was last authorized and the year in which current authorizations of new budget authority expire.

(d) BUDGET AUTHORITY.—The report also shall set forth for each program whether the new budget authority provided for such programs is—

(1) authorized for a definite period of time;

(2) authorized in a specific dollar amount but without limit of time;

(3) authorized without limit of time or dollar amounts;

(4) not specifically authorized; or

(5) permanently provided,

as determined by the Director of the Congressional Budget Office.

(e) CBO INFORMATION.—For each program or group of programs, the program inventory also shall include information prepared by the Director of the Congressional Budget Office indicating each of the following matters:

(1) The amounts of new budget authority authorized and provided for the program for each of the preceding four fiscal years and, where applicable, the four succeeding fiscal years.

(2) The functional and subfunctional category in which the program is presently classified and was classified under the fiscal year 2001 budget.

(3) The identification code and title of the appropriation account in which budget authority is provided for the program.

(f) MUTUAL EXCHANGE OF INFORMATION.—The General Accounting Office, the Congressional Research Service, and the Congressional Budget Office shall permit the mutual exchange of available information in their possession which would aid in the compilation of the program inventory.

(g) ASSISTANCE BY EXECUTIVE BRANCH.—The Office of Management and Budget, and the Executive agencies and the subdivisions thereof shall, to the extent necessary and possible, provide the General Accounting Office with assistance requested by the Comptroller General in the compilation of the program inventory.

**SEC. 209. DEFINITION OF AGENCY.**

As used in this title, the term ''agency'' has the meaning given that term by section 105 of title 5, United States Code, except that such term includes an advisory committee as that term is defined in section 102(2) of the Federal Advisory Committee Act.

**SEC. 210. OFFSET OF AMOUNTS APPROPRIATED.**

Amounts appropriated to carry out this title shall be offset by a reduction in amounts appropriated to carry out programs of other Federal agencies.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Texas (Mr. BRADY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, I yield myself such time as I may consume.

I rise today with my colleague the gentleman from Texas (Mr. TURNER) to offer the elimination of obsolete agencies and Federal sunset amendment.

President Reagan once said, The closest thing to immortality on this earth is a Federal program. President Carter said, ''Too many Federal programs have been allowed to continue indefinitely without examining whether they are accomplishing what they were meant to do. The country's needs and priorities change, and we must assure that government programs change with them.'' That is why he supported a Federal sunset law.

Republicans and Democrats can agree together that our Federal Government is simply too wasteful. In a time of war and deficits, we need to make sure that every dollar counts.

A Federal sunset law is a proven and thoughtful way to balance obsolete Federal programs, eliminate duplication and hold every Federal agency accountable to taxpayers.

The sunset law creates a bipartisan, 12-member sunset commission, appointed half by the House and half by the Senate, half by Republicans and half by Democrats. It assigns an expiration date to every Federal agency and program. It requires them to justify their existence to taxpayers, not their value 50 years ago when they were created, but does it justify our precious tax dollars today.

The problem is that once a program is created Congress clones it again and again. The average Federal program duplicates five others. At last count, there were 64 separate welfare programs, over 100 different job training programs, and over 300 economic development programs stretched over 13 separate agencies. With our deficit so large, and Congress constantly scratching for resources to meet America's true priorities, can we afford this wasteful spending?

Best of all, under this Act, there are no sacred cows. Every agency is held equally accountable and must regularly prove to taxpayers that it deserves our precious tax dollars today. The days where Federal programs live to eternity whether they are needed or not will be over.

For the first time, we tell Federal programs to put up or shut up, produce or leave, and then Congress can invest those precious tax dollars in programs and people that succeed and not one dime for those that do not.

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Successful programs thrive under sunset, and this program works. More than over half the States in America have sunset acts. In Texas, where I served in the legislature, they have thoughtfully eliminated some 44 programs and saved State taxpayers over a billion dollars. Results vary from State to State; but with a strong commitment, this can work well in the Federal Government as well.

Savings alone are not the only benefit. It is amazing how responsive agencies become in the years prior to sunset. Treating taxpayers promptly, fairly, and with respect becomes a key to their survival, just like in business, and just the way government should always treat our taxpayers.

Legislatively, sunsetting often causes agencies to hew much closer to legislative intent because they know they face a regular thorough examination in future years.

The Federal sunset amendment has strong support across the political spectrum. My Democrat colleague, the gentleman from Texas (Mr. TURNER), who is at an important national security briefing as we speak, is a strong champion for this. We have support from everyone from Common Cause to American Conservative Union. We have broad support across the Members of Congress in this House. And in a recent national survey, over 77 percent of American taxpayers believe this would be helpful for cutting wasteful spending and spending our precious tax dollars where they belong.

This is a powerful tool. Let us set sunset on wasteful spending. We can do better.

Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

This amendment, creating a sunset process, has been successful in many of our States. The gentleman from Texas (Mr. BRADY) and I have had personal experience with it in our State, where we have been able to eliminate unnecessary agencies. We have been able to streamline the activities of agencies.

I know that at the Federal level we all understand that it is very difficult job within our existing committee structures to really take a good, hard and complete look at the management and the functioning of our Federal agencies in the course of the appropriations process and the oversight responsibilities of our authorizing committees. So by creating a bipartisan commission of six Democrats and six Republicans, we do this with a long-term view to accomplish some goals that perhaps we are not as good at accomplishing in our usual process.

Mr. SPRATT. Mr. Chairman, I rise to claim the time in opposition, and I yield myself such time as I may consume.

Mr. Chairman, like a lot of Members, many of the provisions offered here are matters of first impression. I have not seen this bill before, so I would like to ask either of the cosponsors a question about a critical provision of the bill for their clarification.

It is my understanding that this amendment would require that after each commission completes its review of an agency every 12 years, that agency would be abolished automatically, would be extinguished unless, within a year, Congress reauthorized the agency. Is that correct? Am I reading it correctly?

Mr. BRADY of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. BRADY of Texas. Yes, the gentleman is correct.

Mr. SPRATT. You would have automatic abolition of an agency? It would simply sunset?

Mr. BRADY of Texas. Mr. Chairman, if the gentleman will continue to yield, in the States that have used that, yes, that is correct; but it has rarely happened. It has been the tool for Congress to come together on reviewing it. Yes, sir.

Mr. SPRATT. Mr. Chairman, reclaiming my time, I see the merit in having some sort of conscious, affirmative periodic review of the huge morass of agencies we have in the Federal Government; but I have some concern here that if a President disagreed with the Congress, you could have 289 Members of the House and 66 Members of the Senate who thought this agency should be reestablished, but the President could veto the bill that would reauthorize it; and, therefore, it would not come back into existence.

Mr. TURNER of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. TURNER of Texas. Mr. Chairman, I understand the gentleman's concern, but I can assure him that in practice this has worked very well in Texas. We have never had the occurrence that the gentleman describes.

In trying to alleviate some of the concerns that he has expressed, the gentleman from Texas and I put in this bill clear language that would say that the laws administered by these agencies do not sunset. There have been Members from time to time who have said, well, if an agency happened to sunset, then all the laws we passed that that agency administers would then go away and a lot of valuable programs disappear. We specifically have language here to ensure that the laws that administer various programs, and that are important to a lot of constituencies, do not disappear when the agency disappears.

Having said that, in practical terms, when a sunset commission makes a recommendation to the Congress, if the Congress failed to be able to come to grips with the recommendations of the commission, what happens in most States, and it has certainly happened on a couple of occasions in Texas, is that the legislature, and I would hope the Congress, would simply extend the agency as it is and set a new sunset date to allow the process of review of that agency to continue.

What we are trying to do here is create a bipartisan entity that has the credibility to make recommendations for change in operations of an agency, create new efficiencies, eliminate obsolete programs and obsolete offices, and to do it in a way that that commission and its recommendations have the same kind of weight that we all hope the 9/11 Commission will have, where once they have reported, there is some momentum behind what this bipartisan group has recommended to the Congress.

So I think in terms of our efforts in the years ahead, to try to figure out how to make government more efficient, to be sure that we are eliminating unnecessary spending, that this is a very powerful tool that we should take advantage of. And I think the concern that the gentleman from South Carolina expressed is not one that is likely to occur.

Mr. SPRATT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BRADY).

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

Mr. BRADY of Texas. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. BRADY) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 2, printed in House Report 108–566.

AMENDMENT NO. 2 OFFERED BY MR. CHOCOLA

Mr. CHOCOLA. 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. CHOCOLA:

Page 2, after line 3, insert the following:

**TITLE I—EXTENSION OF DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS**

Redesignate sections 2 through 9 as sections 101 through 108, respectively; on page 5, lines 23 and 24, strike ''paragraphs'' and insert ''paragraph''; on page 6, line 5, insert quotation marks after the period and strike line 6 and all that follows thereafter through page 7, line 12; on page 7, line 13, strike ''(c)'' and insert ''(b)''; and on page 7, strike line 25 and insert the following: ''covered by subsection (b) or (c) of section 316 of the Congressional Budget Act of 1974''.

At the end, add the following new titles:

**TITLE II—ONE-PAGE BUDGET RESOLUTIONS**

**SEC. 201. ONE-PAGE BUDGET RESOLUTIONS.**

(a) CONTENT OF ANNUAL CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 301(a)(4) of the Congressional Budget Act of 1974 is amended to read as follows:

''(4) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), interest, and emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c));''.

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—Section 301(b) of the Congressional Budget Act of 1974 is amended as follows:

(1) Strike paragraphs (2), (4), and (6) through (9).

(2) After paragraph (1), insert the following new paragraph:

''(2) require such other congressional procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act;''.

(3) At the end of paragraph (3), insert ''and'' and redesignate paragraph (5) as paragraph (4) and in such paragraph strike the semicolon and insert a period.

(c) REQUIRED CONTENTS OF REPORT.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A), (B), (C), (D), (E), and (F) as subparagraphs (B), (C), (E), (F), and (G), respectively.

(2) Before subparagraph (B) (as redesignated), insert the following new subparagraph:

''(A) new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to subsection (a)(1);''.

(3) In subparagraph (C) (as redesignated), strike ''mandatory'' and insert ''direct spending''.

(d) ADDITIONAL CONTENTS OF REPORT.—Section 301(e)(3) of the Congressional Budget Act of 1974 is amended by striking ''and'' at the end of subparagraph (D), by striking the period and inserting ''; and'' at the end of subparagraph (E), and by adding at the end the following new subparagraph:

''(F) reconciliation directives described in section 310.''.

(e) PRESIDENT'S BUDGET SUBMISSION TO THE CONGRESS.—(1) The first two sentences of section 1105(a) of title 31, United States Code, are amended to read as follows:

''On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year which shall set forth the following levels:

''(A) totals of new budget authority and outlays;

''(B) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

''(C) the surplus or deficit in the budget;

''(D) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), interest, and emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c)); and

''(E) the public debt.

Each budget submission shall include a budget message and summary and supporting information and, as a separately delineated statement, the levels required in the preceding sentence for at least each of the 4 ensuing fiscal years.''.

(2) The third sentence of section 1105(a) of title 31, United States Code, is amended by inserting ''submission'' after ''budget''.

(f) CONFORMING AMENDMENTS TO SECTION 310 REGARDING RECONCILIATION DIRECTIVES.—(1) Section 310(a) of such Act is amended by striking ''A'' and inserting ''The joint explanatory statement accompanying the conference report on a''.

(2) The first sentence of section 310(b) of such Act is amended by striking ''If'' and inserting ''If the joint explanatory statement accompanying the conference report on''.

(3) Section 310(c)(1) of such Act is amended by inserting ''the joint explanatory statement accompanying the conference report on'' after ''pursuant to''.

## TITLE III—EMERGENCIES

### SEC. 301. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.

(a) ELIMINATION OF EMERGENCY DESIGNATION.—Sections 251(b)(2)(A), 252(e), and 252(d)(4)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 are repealed.

(b) ELIMINATION OF ADJUSTMENTS.—Section 314(b) of the Congressional Budget Act of 1974 is amended by striking paragraph (1) and by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(c) CONFORMING AMENDMENT.—Clause 2 of rule XXI of the Rules of the House of Representatives is amended by repealing paragraph (e) and by redesignating paragraph (f) as paragraph (e).

### SEC. 302. OMB EMERGENCY CRITERIA.

(a) DEFINITION OF EMERGENCY.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11)(A) The term 'emergency' means a situation that—

''(i) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

''(ii) is unanticipated.

''(B) As used in subparagraph (A), the term 'unanticipated' means that the situation is—

''(i) sudden, which means quickly coming into being or not building up over time;

''(ii) urgent, which means a pressing and compelling need requiring immediate action;

''(iii) unforeseen, which means not predicted or anticipated as an emerging need; and

''(iv) temporary, which means not of a permanent duration.''.

(b) CONFORMING AMENDMENT.—The term 'emergency' has the meaning given to such term in section 3 of the Congressional Budget and Impoundment Control Act of 1974.''.

### SEC. 303. DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.

Not later than 5 months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974.

### SEC. 304. RESERVE FUND FOR EMERGENCIES IN PRESIDENT'S BUDGET.

Section 1105(f) of title 31, United States Code is amended by adding at the end the following new sentences: ''Such budget submission shall also comply with the requirements of subsections (b) and (c) of section 316 of the Congressional Budget Act of 1974 and, in the case of any budget authority requested for an emergency, such submission shall include a detailed justification of why such emergency is an emergency within the meaning of section 3(11) of the Congressional Budget Act of 1974.''.

### SEC. 305. BUDGETING FOR EMERGENCIES.

(a) EMERGENCIES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''EMERGENCIES

''SEC. 316. (a) ADJUSTMENTS.—

''(1) IN GENERAL.—After the reporting of a bill or joint resolution or the submission of a conference report thereon that provides budget authority for any emergency as identified pursuant to subsection (d) that is not covered by subsection (c)—

''(A) the chairman of the Committee on the Budget of the House of Representatives or the Senate shall determine and certify, pursuant to the guidelines referred to in section 303 of the Spending Control Act of 2004, the portion (if any) of the amount so specified that is for an emergency within the meaning of section 3(11); and

''(B) such chairman shall make the adjustment set forth in paragraph (2) for the amount of new budget authority (or outlays) in that measure and the outlays flowing from that budget authority.

''(2) MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) and shall be in an amount not to exceed the amount reserved for emergencies pursuant to the requirements of subsection (b).

''(b) RESERVE FUND FOR NONMILITARY EMERGENCIES.—The amount set forth in the reserve fund for emergencies for budget authority and outlays for a fiscal year pursuant to section 301(a)(4) shall equal—

''(1) the average of the enacted levels of budget authority for emergencies (other than those covered by subsection (c)) in the 5 fiscal years preceding the current year; and

''(2) the average of the levels of outlays for emergencies in the 5 fiscal years preceding the current year flowing from the budget authority referred to in paragraph (1), but only in the fiscal year for which such budget authority first becomes available for obligation.

''(c) TREATMENT OF EMERGENCIES TO FUND CERTAIN MILITARY OPERATIONS.—Whenever the Committee on Appropriations reports any bill or joint resolution that provides budget authority for any emergency that is a threat to national security and the funding of which carries out a military operation authorized by a declaration of war or a joint resolution authorizing the use of military force (or economic assistance funding in furtherance of such operation) and the report accompanying that bill or joint resolution, pursuant to subsection (d), identifies any provision that increases outlays or provides budget authority (and the outlays flowing therefrom) for such emergency, the enactment of which would cause the total amount of budget authority or outlays provided for emergencies for the budget year in the joint resolution on the budget (pursuant to section 301(a)(4)) to be exceeded:

''(1) Such bill or joint resolution shall be referred to the Committee on the Budget of the House or the Senate, as the case may be, with instructions to report it without amendment, other than that specified in paragraph (2), within 5 legislative days of the day in which it is reported from the originating committee. If the Committee on the Budget of either House fails to report a bill or joint resolution referred to it under this subparagraph within such 5-day period, the committee shall be automatically discharged from further consideration of such bill or joint resolution and such bill or joint resolution shall be placed on the appropriate calendar.

''(2) An amendment to such a bill or joint resolution referred to in this subsection shall only consist of an exemption from section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 of all or any part of the provisions that provide budget authority (and the outlays flowing therefrom) for such emergency if the committee determines, pursuant to the guidelines referred to in section 303 of the Spending Control Act of

2004, that such budget authority is for an emergency within the meaning of section 3(11).

''(3) If such a bill or joint resolution is reported with an amendment specified in paragraph (2) by the Committee on the Budget of the House of Representatives or the Senate, then the budget authority and resulting outlays that are the subject of such amendment shall not be included in any determinations under section 302(f) or 311(a) for any bill, joint resolution, amendment, motion, or conference report.

''(d) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines referred to in section 303 of the Spending Control Act of 2004.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

''Sec. 316. Emergencies.''.

**SEC. 306. APPLICATION OF SECTION 306 TO EMERGENCIES IN EXCESS OF AMOUNTS IN RESERVE FUND.**

Section 306 of the Congressional Budget Act of 1974 is amended by inserting at the end the following new sentence: ''No amendment reported by the Committee on the Budget (or from the consideration of which such committee has been discharged) pursuant to section 316(c) may be amended.''.

**SEC. 307. UP-TO-DATE TABULATIONS.**

Section 308(b)(2) of the Congressional Budget Act of 1974 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(D) shall include an up-to-date tabulation of amounts remaining in the reserve fund for emergencies.''.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Indiana (Mr. CHOCOLA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. Mr. Chairman, I yield myself 2½ minutes.

The amendment I have offered is very straightforward. It is about simplicity, and it is about honesty in the budget process, which does not exist today.

It is about simplicity because it replaces 20 budget functions that we currently have in our annual budget process with five. Those five would include mandatory spending, defense and nondefense discretionary spending, interest, and emergency spending, or a rainy day fund.

By simplifying the process in this way, we make the budget process much easier; and we expedite it by focusing on overall spending, rather than focusing on 20 different so-called spending priorities. We spend too much time, frankly, debating and amending these spending priorities, when in the end they are not binding and they are ultimately, on too many occasions, ignored in the appropriations process.

My amendment is about honesty because it budgets money that we know we are going to spend. Every year we spend money on emergencies that are not budgeted. My amendment changes this practice by creating a rainy day fund that is based on the rolling 5-year average of actual money we spend on emergencies. By doing that, we will expedite the delivery of needed funds in the event of a true emergency, and we will provide a clearer definition of what an emergency is to deter characterizing routine spending and spending money in and above the budgeted and appropriated levels.

So, Mr. Chairman, this amendment would bring more clarity to the process; it would bring more simplification and bring more honesty. I encourage all of my colleagues to support this amendment.

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

Mr. SPRATT. Mr. Chairman, I claim the time in opposition.

Mr. Chairman, this amendment, if adopted, would reduce the budget process to one page. And while the budget process has its flaws and has not worked well, it has certain advantages to it. First of all, it gives the House one of the few opportunities we have to make a judgment among competing priorities: how much money we will spend for education, versus how much money we will spend for housing, versus how much we will spend for defense.

Secondly, it gives us some kind of central mechanism where everybody can make a decision about whether or not we want to increase taxes and decrease taxes, and expedite the process for doing so by way of reconciliation. Or we may feel it is necessary that we reduce entitlement spending.

The committees of jurisdiction of those particular programs do not normally cotton to the idea of taking a cut out of the entitlement which falls under their jurisdiction. Once again, the reconciliation process in the budget helps us accomplish those ends.

And then, finally, one of the problems that I have, and I have served here 20 years, and I think many other Members would confess they have it too, is that everything we do is so broken up into so many different parcels and pieces that it is hard to get a picture of the whole. The budget resolution at least gives us a picture of the whole. It helps us keep a tab on spending, and it also allows us to know whether or not aggregate spending estimates and aggregate revenue estimates are accurate.

If you reduce spending to one total for discretionary spending, for example, you can claim that spending can be shrunk. But unless you have 20 different functions to show how that shrinkage will take place, how those reductions would be achieved and affected, then nobody can judge whether or not, or will not be able to judge as well whether or not, that spending reduction, which you are claiming is reasonable and pragmatic and achievable, is indeed that.

If you have to break it up into 20 different functions, it is one way the House gets together early in a session, expresses its priorities about those different functions; but it is also a way that we can tell whether or not that is realistic. On the other hand, if individual functions, whether it is defense or housing or health care or whatever, are understated well before this year's level, we may say that is not politically realistic, or that is not something I would like to see us do. And the budget resolution gives us an opportunity to vote on that as a House, one of the rare opportunities we get to express ourselves collectively.

That is why I would strenuously oppose the notion of reducing the budget process to this summary kind of process.

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

Mr. CHOCOLA. Mr. Chairman, it is my pleasure to yield 1 minute to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of this amendment.

I am not sure how it benefits this House to vote on categories that have no enforcement ability whatsoever. When we have 13 appropriation bills and 20 budget functions that never meet, we are losing sight of another very important function that this budget ought to serve, and that is the function of protecting the family budget from the Federal budget.

Spending is out of control. It is a very important debate between relative expenditures within the Federal budget, but we also have to focus on how much money are we going to take away from the American family; how are we going to impact their dreams and their ability to realize their housing programs, their education programs, their child care programs.

We need to focus on what is enforceable, and we need to focus on protecting the family budget from the Federal budget. And if we believe in limited government, we will support this amendment.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume to simply say again, how do we know if the spending amounts that are provided for in the budget resolution in the aggregate are reasonable or attainable unless you break it down into their component parts and can see what is provided for defense and nondefense programs from entitlements and for discretionary programs alike?

This is not a good idea. It is a bad idea. It decimates the budget process, and I hope the House will reject it.

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

Mr. CHOCOLA. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN).

□ 1730

Mr. RYAN of Wisconsin. Mr. Chairman, I just want to comment on a couple other aspects of this amendment that I think are very important. This amendment really dovetails well with another amendment that is coming, which is breaking it into five simple categories so that we do not have these stalemates we have every year in Congress between the other Chamber and the White House. What we want to do is make the budget amendment easier to achieve in the beginning of the process. Also what this does is it has emergency spending protection so that we save for emergencies ahead of time, so that we have a rainy day fund to prepare for these kinds of emergencies.

We also clean up the definition of emergencies in this amendment. Far too often in this body, we designate things that really do not pass the smell test as to what are emergencies. We want to have real emergencies being funded under the emergency spending reserve fund, not nonemergencies. That is why we think we need to clean up that rule that allows Congress to designate things like a summit house on top of Pikes Peak an emergency.

So this bill makes it easier to get a budget agreement, cleans up our emergency spending designation and helps us set money aside so we can prepare for these inevitable emergencies that occur every year Congress spends this money.

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

Mr. Chairman, I would simply say if the object of what we are doing tonight is to try to put some starch into the budget process, put some structure into it so we can get our hands around spending, get our hands around revenues, this is the opposite direction we should go.

Mr. CHOCOLA. Mr. Chairman, may I inquire how much time is remaining?

The CHAIRMAN. The gentleman from Indiana (Mr. CHOCOLA) has 1½ minutes remaining. The gentleman from South Carolina (Mr. SPRATT) has 1 minute and the right to close.

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

Mr. Chairman, let me just conclude by saying as I started out that this amendment is straightforward, and it is about simplicity and honesty. I think we owe the American people a simplified budget that they can understand, and by reducing the number of budget functions from 20 to 5, I think we are accomplishing that goal.

The 20 budget functions that we have already, as has been pointed out, are unenforceable and too often ignored in the budget appropriations process, and we are simply budgeting money that we know we are going to spend. Every single year we spend Federal money for emergencies that we spend above the budget and appropriated levels. So we are being honest with the American people, which I think they deserve.

So I encourage my colleagues to support this amendment, because it is based on simplicity and honesty. It is exactly what we should be doing here every day, exactly what the American taxpayers and the American citizens deserve.

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

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

Mr. Chairman, once again, if we want to make the budget process opaque, more opaque, less transparent, then this will be the way to do it, but if you think we need more visibility, the House should assert more control, then we should have the kind of numbers we need to make honest judgments about the budget. We should stick at least with the process we have got. It is flawed, but this would be a travesty. This would destroy the budget process as it has existed since 1974.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. CHOCOLA).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CHOCOLA. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Indiana (Mr. CHOCOLA) will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. CASTLE

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. CASTLE:

At the end, add the following new section:

**SEC. . ESTABLISHMENT OF MACROECONOMIC CONGRESSIONAL BUDGETS.**

(a) MACROECONOMIC CATEGORIES.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by striking paragraph (4) and by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(b) ADDITIONAL MATTERS.—Section 301(b) of the Congressional Budget Act of 1974 (2 U.S.C. 632(b)) is amended by striking ''and'' at the end of paragraph (8), by striking the period and inserting ''; and'' at the end of paragraph (9), and by adding at the end the following new paragraph:

''(10) set forth appropriate levels for each fiscal year covered by such concurrent resolution for new budget authority and outlays for each major functional category established by the Committees on the Budget (after consultation with each other), based on allocations of the total levels set forth pursuant to subsection (a)(1).''.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Delaware (Mr. CASTLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

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

Mr. Chairman, this amendment is somewhat different but somewhat similar to the amendment we just had before us, which I would also support, but the challenge of passing a budget resolution, as we have seen particularly in recent years, and subsequent appropriation bills in a timely manner has proven to be an extraordinarily difficult series of tasks.

In my opinion, this is, in large part, due to the fact that there are 20 budget functions, 17 for broad areas of national need and 3 to ensure full coverage of the budget. This structure, therefore, forces us to engage in duplicitous debates over spending priorities.

The gentleman from Washington (Mr. HASTINGS) and I believe that by eliminating the requirement of the budget functions, that we will provide the Committee on the Budget increased flexibility in moving the process forward each year.

Specifically under this amendment, the Committee on the Budget will be given the opportunity to eliminate or restructure the budget functions. By granting the Committee on the Budget this ability, we will be giving them the ability to structure a budget in the most fair and efficient manner.

Let me give my colleagues an example of how this may happen. Under this amendment, the committee would have the freedom to see a macro budget consisting of four aggregate numbers as opposed to the current 20 budget functions. These aggregate numbers include total revenues, total budget authority and outlays, the surplus or deficit and the resultant debt.

A macro budget may also include the amount by which revenues would be lowered. Under a macro budget the resulting resolution would also contain reconciliation instruction to expedite action, primarily by the Senate, as well as separate titles to reconciliation instructions, enforcement procedures and possible reserve accounts, thus preserving the importance of the budget resolution and helping guide Congress.

The ability to use a macro budget empowers the committee to operate as they were originally intended, to provide the blueprint for the year's budget and to allow the appropriators to work out the details.

Our focus should be on the larger macroeconomic impact of budget policies rather than a summation of proposed spending, and I happen to believe that the current functional categories have really become dysfunctional mechanisms for setting our priorities as a Nation.

While I do not claim to have the perfect solution to fit our budget process into our fiscal timetable, I do, however,

believe that minimizing duplication of issue deliberations could significantly accelerate the budget and appropriations process. As we all know, one of the main holdups of the budget process is having the same debates on the same issues twice. I believe the details of spending within the set guidelines should fall to the appropriators. When the Committee on the Budget was formed in the 1970s, the intent was to look at the large blueprint. By eliminating the requirement of budget functions we allow the Committee on the Budget to set the broad parameters.

The Hastings-Castle amendment provides the Budget Committees with the discretion to include whatever functional categories, if any, that they deem appropriate. I encourage my colleagues to support this amendment as it will prevent us from constraining the economy by being beholden to the antiquated procedures that we have had over the past three decades.

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

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

I wish there were some procedure in the House where we could give a hand signal or maybe use a code word and incorporate by reference all of our comments previously made on the same subject. I have to repeat myself because this amendment is, to some extent, the same as the amendment previously offered. This amendment would eliminate the requirement that the annual budget resolution include 20 budget functions. Once again, this is one of the opportunities we have as a House collectively, all of us, to have a debate in-depth about our priorities, whether we want to spend more for education or whether we need to spend more for defense or highways, priorities that are big functions of our budget. It takes away that opportunity. It also takes away our perception into the budget to see whether or not it is adequate to provide for the many things we want to do.

Secondly, as I have said, there are a lot of centrifugal forces in this House. There is a lot of fragmentation of what we do. It is very hard in this House and in the Congress to keep a picture of the whole, of what is happening altogether. The budget resolution gives us the ability to keep the puzzle kind of together, so we can get a perception into what is happening altogether. This particular budget resolution would not even require that discretionary spending allocations be split between defense and nondefense.

It would simply call for a total of all new budget authority and outlays. So the House would forgo the opportunity to say we want to do more for defense while we are going to do less for nondefense in order to pay for the additional commitment to defense. It calls for an aggregate statement of revenues, but nothing with respect to the House's expression to the Committee on Ways and Means as to what those revenues might be, no reconciliation instructions, so a key function of the Committee on the Budget, a key means of exerting discipline and control in the institution, would be lost, and then a simple statement of the surplus or deficit.

To me this is letting the reins go, giving up what little control and structure we have got, what little ability we have got to keep a picture of the whole composed at all times. I think it is a bad idea.

If we want to do away with the budget resolution, let us just repeal it altogether because what this leaves in place is practically useless.

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

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume. I disagree with the distinguished gentleman from South Carolina on the basis of what I have seen here in the years that I have been here. I have a great deal of faith in the Committee on the Budget. I have a great deal of faith in the gentleman as the ranking member and the chairman, but I have seen this process literally almost collapse in recent years. My judgment is that the transparency that the gentleman requests is not there and that the reality is that the Committee on the Budget's responsibility is to do something which we have not been doing which is to make sure that we are managing within the dollars that we have and setting parameters around those particular dollars but should not carry over to the functions of how the individual amounts of money are going to be spent. In addition, we do not necessarily match up the appropriations with the various designations in the budget resolution which we have.

It is my sense we need to break that impasse in some way or another so that we have some sense of the dollars we are spending in the House and the Senate and be working together in order to advance as far as the future is concerned.

I reiterate what I have already stated, and, that is, that I think we need to start moving in that direction. But I would also point out to the gentleman, and I think this is important, that this amendment does not disallow doing as much as the Committee on the Budget wishes to do. They could still do what they have done before. It just will be a simplification methodology which could be used in case you cannot come to agreement on that or for whatever reason we are not able to get the budget resolution passed and it has to be simplified. That is what it is all about, trying to give more power to the Committee on the Budget to make sure we do have a budget in place that we have all voted on, shaken hands on and that we all are going to live under. I am trying to give flexibility to it, not a limited solution to the problem of not being able to get a budget done.

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

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

I am just suggesting to my good friend and someone for whom I have great respect that he gives so much flexibility to it that it is limp when we get through with it. There is nothing left. It is a process without any teeth, without any structure, without any starch to it. It is almost meaningless. It is the last rites for the budget process. If we are going to do this we may as well just not do it at all.

A couple of speakers have noted that the functions that we designate in the budget resolution do not correspond to the 302(b) allocation made by the members of the Committee on Appropriations. That is true. That is an old, old compromise. If we dared back away from that compromise, the gentleman from Florida (Mr. YOUNG) would be on his feet, I am sure, protesting vigorously that usurpation of their authority on the Committee on Appropriations. But it is an opportunity.

When the Committee on the Budget and one party or the other party wants to propose new initiatives in certain areas, it might be education, it might be NIH in health care, it might be defense, it gives us an opportunity to make that proposal, to show what the consequences are for the bottom line and for trade-offs against other programmatic areas and then allows us to have a debate on that subject on the House floor.

These aggregate numbers do not signify anything. They do not really tell you what is going to be cut and what is going to be increased, and that is the problem I have. We do not get the process started with that sort of message and direction that the budget resolution now gives to the process and the opportunity it gives to the House as a whole to make a statement of priorities and have something of a debate on programmatic priorities for the next 1 to 5 fiscal years.

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

Mr. CASTLE. Mr. Chairman, I yield myself the balance of my time.

It does encompass total revenues, total budget authority and outlays, the surplus or deficit and the resultant debt. To me that is what the Committee on the Budget should be doing, not necessarily setting the priorities in the 20 different areas which is done now, although that could still happen. That is why I think that we should adopt this amendment.

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

This would be making a distinction between defense and nondefense spending. This gives you one big aggregate for all discretionary spending. That is how far back it takes us and how little definition it leaves to what we end up doing. We come up with three or four big numbers and that is the end of the budget. The gentleman is suggesting we could do something much more elaborate, but this would be the only

statutory prerogative we would have which would mean that pretty soon we would probably not be doing any function allocations at all. It would not have any statutory basis. I am not saying they get great deference from the Committee on Appropriations today, but once we reduce the budget process to this, I doubt the Committee on the Budget would get any deference from the appropriators.

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

Mr. SPRATT. I yield to the gentleman from Delaware.

Mr. CASTLE. On that particular subject, there may be times when we do need to put more money into discretionary spending. We may be in one of those times now in terms of the war in Iraq. There may be other emergency things that we have to deal with. For that reason, I believe that flexibility should be in the Committee on Appropriations.

Mr. HASTINGS of Washington. Mr. Chairman, this amendment would remove the requirement that 20 functional categories be included in the annual budget resolution, and grant the Budget Committee the discretion to include such categories, if any, as they deem appropriate.

With this change to the 30-year old Congressional Budget Act, we can properly return debate to the "big picture," macroeconomic budget issues that were intended to be the focus of the budget resolution when the act was passed in 1974.

Annual budget debates have been bogged down in recent years by often bitter disputes over funding for scores of Federal programs within these 20 budget functions. This has become an enormous distraction for lawmakers on both sides of the aisle and harmed the process of making rational decisions about overall Federal fiscal policy.

The 20 functional categories are intended to illustrate how the Federal spending could be allocated under the budget resolution. However, the functions do not direct how much money is eventually spent for programs covered by each specific function. Function totals also do not specifically mandate how the Appropriations Committee makes allocations to its 13 subcommittees.

Yet, despite the reality that these functions have no real power over actual spending decisions, every year tremendous time, energy and resources are dedicated to influencing the levels of particular functions.

Interest groups mobilize and massive lobbying efforts are undertaken to try and affect often very slight changes in functions' totals and in budget report language. Yet, at the end of the day, these efforts do not effect the spending and taxing decisions the Congress will make later in the year.

This is a severe distraction from critically important budget questions that deserve attention and clear debate.

In the midst of the debate over how much to spend on this program, or that program or in this function or that function—what can get lost are the most fundamental matters of what the budget is going to look like:

How much is the government going to spend next year?

How much is going to be collected in taxes?

Will the government's budget be in balance? Or will there be a surplus or deficit?

How do all of these affect the public debt?

I believe we must clear away the distractions that have overtaken the budget process. The first step in the annual budget process in Congress should be discussion and reaching agreement on overall spending, tax and debt levels in a budget resolution. We must be a real handle on the federal budget and the macroeconomic factors that the budget resolution is designed to guide and over which it actually has control.

Decisions on spending on individual programs do not need to be debated twice—once during consideration of the budget resolution and again during open debate on Appropriations bills.

As the fiscal challenges that our Nation will face with the effects of a retiring Baby Boom generation, it is more important than ever to focus our budget decisions in a manner that best directs attention to the critical choices we face today and the effects they will have on our children and the country's future.

I urge all of my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. CASTLE).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Delaware (Mr. CASTLE) will be postponed.

It is now in order to consider amendment No. 4 printed in House Report 108–566.

AMENDMENT NO. 4 OFFERED BY MR. HENSARLING

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. HENSARLING:

Page 2, after line 3, insert the following:

**TITLE I—EXTENSION OF DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS**

Redesignate sections 2 through 9 as sections 101 through 108, respectively, and, at the end, add the following new titles:

**TITLE II—SPENDING CAPS ON GROWTH OF ENTITLEMENTS AND MANDATORIES**

**SEC. 201. SPENDING CAPS ON GROWTH OF ENTITLEMENTS AND MANDATORIES.**

(a) CONTROL OF ENTITLEMENTS AND MANDATORIES.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

**"SEC. 252A. ENFORCING CONTROLS ON DIRECT SPENDING.**

"(a) CAP ON GROWTH OF ENTITLEMENTS.—Effective for fiscal year 2005 and for each ensuing fiscal year, the total level of direct spending for all direct spending programs, projects, and activities (excluding social security) for any such fiscal year shall not exceed the total level of spending for all such programs, projects, and activities for the previous fiscal year after the direct spending for each such program, project, or activity is increased by the higher of the change in the Consumer Price Index for All Urban Consumers or the inflator (if any) applicable to that program, project, or activity and the growth in eligible population for such, project, or activity.

"(b) SEQUESTRATION.—Within 15 days after Congress adjourns to end a session (other than of the second session of the One Hundred Eighth Congress), and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to reduce the amount of direct spending for the fiscal year beginning in the year the Congress adjourns by any amount necessary to reduce such spending to the level set forth in subsection (a) unless that amount is less than $250,000,000.

"(c) UNIFORM REDUCTIONS; LIMITATIONS.—The amount required to be sequestered for the fiscal year under subsection (a) shall be obtained from nonexempt direct spending accounts by actions taken in the following order:

"(1) FIRST.—The reductions in the programs specified in section 256(a) (National Wool Act and special milk), section 256(b) (student loans), and section 256(c) (foster care and adoption assistance) shall be made.

"(2) SECOND.—Any additional reductions that may be required shall be achieved by reducing each remaining nonexempt direct spending account by the uniform percentage necessary to achieve those additional reductions, except that—

"(A) the low-income programs specified in section 256(d) shall not be reduced by more than 2 percent;

"(B) the retirement and veterans benefits specified in sections 256(f), (g), and (h) shall not be reduced by more than 2 percent in the manner specified in that section; and

"(C) the medicare programs shall not be reduced by more than 2 percent in the manner specified in section 256(i).

The limitations set forth in subparagraphs (A), (B), and (C) shall be applied iteratively, and after each iteration the uniform percentage applicable to all other programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the reductions required by this paragraph.

"(d) EXCLUSION OF MEDICARE PRESCRIPTION DRUG PROGRAM UNTIL FULLY OPERATIONAL.—For purposes of this section with respect to the limitation under subsection (a) for a fiscal year before fiscal year 2008, direct spending programs and direct spending shall not be construed to include part D of title XVIII of the Social Security Act (or spending under part C of such title that is attributable to such part D).".

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents set forth in 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after the item relating to section 252 the following new item:

"Sec. 252A. Enforcing controls on direct spending.".

**SEC. 202. EXEMPT PROGRAMS AND ACTIVITIES.**

Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**"SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.**

"(a) SOCIAL SECURITY BENEFITS; TIER I RAILROAD RETIREMENT BENEFITS; AND CERTAIN MEDICARE BENEFITS.—(1) Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, and benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall be exempt from reduction under any order issued under this part.

"(2) Payments made under part A of title XVIII (relating to part A medicare hospital

insurance benefits) of the Social Security Act and payments made under part C of such title (relating to the Medicare Advantage program) insofar as they are attributable to part A of such title shall be exempt from reduction under any order issued under this part.

''(b) DESCRIPTIONS AND LISTS.—The following budget accounts or activities shall be exempt from sequestration:

''(1) net interest;

''(2) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(3) all payments from one Federal direct spending budget account to another Federal budget account; and all intragovernmental funds including those from which funding is derived primarily from other Government accounts, except to the extent that such funds are augmented by direct appropriations for the fiscal year for which the order is in effect;

''(4) activities resulting from private donations, bequests, or voluntary contributions to the Government;

''(5) payments from any revolving fund or trust-revolving fund (or similar activity) that provides deposit insurance or other Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(6) credit liquidating and financing accounts;

''(7) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed:

''Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

''Armed Forces Retirement Home Trust Fund, payment of claims (84–8930–0–7–705);

''Bureau of Indian Affairs, miscellaneous payments to Indians (14–230–0–1–452);

''Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

''Claims, defense;

''Claims, judgments, and relief act (20–185–0–1–806);

''Compact of Free Association, economic assistance pursuant to Public Law 99 (14–0414–0–1–806);

''Compensation of the President (11–0001–0–1–802);

''Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

''Eastern Indian land claims settlement fund (14–2202–0–1–806);

''Farm Credit Administration, Limitation on Administration Expenses (78–4131–0–3–351);

''Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

''Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

''Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

''Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

''Payments to copyright owners (03–5175–0–2–376);

''Payments to health care trust funds (75–0580–0–1–571);

''Payments to social security trust funds (75–0404–0–1–651);

''Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

''Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801);

''Pension Benefit Guaranty Corporation Fund (16–4204–0–3–601);

''Salaries of Article III judges;

''Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401);

''(8) the following noncredit special, revolving, or trust-revolving funds:

''Coinage profit fund (20–5811–0–2–803);

''Comptroller of the Currency;

''Director of the Office of Thrift Supervision;

''Exchange Stabilization Fund (20–4444–0–3–155);

''Federal Housing Finance Board;

''Foreign Military Sales trust fund (11–82232–0–7–155);

''National Credit Union Administration, central liquidating facility (25–4470–0–3–373);

''National Credit Union Administration, credit union insurance fund (25–4468–0–3–373);

''National Credit Union Administration operating fund (25–4056–0–3–373); and

''Resolution Trust Corporation Revolving Fund (22–4055–0–3–373);

''(9) Thrift Savings Fund;

''(10) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(11)(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act; and

''(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account; and

''(12)(A) FDIC, Bank Insurance Fund (51–4064–0–3–373);

''(B) FDIC, FSLIC Resolution Fund (51–4065–0–3–373); and

''(C) FDIC, Savings Association Insurance Fund (51–4066–0–3–373);

''(c) FEDERAL RETIREMENT AND DISABILITY ACCOUNTS.—The following Federal retirement and disability accounts shall be exempt from reduction under any order issued under this part:

''Civil service retirement and disability fund (24–8135–0–7–602).

''Black Lung Disability Trust Fund (20–8144–0–7–601).

''Foreign Service Retirement and Disability Fund (19–8186–0–7–602).

''District of Columbia Judicial Retirement and Survivors Annuity Fund (20–8212–0–7–602).

''Judicial Survivors' Annuities Fund (10–8110–0–7–602).

''Payments to the Railroad Retirement Accounts (60–0113–0–1–601).

''Tax Court Judges Survivors Annuity Fund (23–8115–0–7–602).

''Employees Life Insurance Fund (24–8424–0–8–602).

''(d) FEDERAL ADMINISTRATIVE EXPENSES.—

''(1) Notwithstanding any provision of law other than paragraph (3), administrative expenses incurred by the departments and agencies, including independent agencies, of the Government in connection with any program, project, activity, or account shall be subject to reduction pursuant to any sequestration order, without regard to any exemption, exception, limitation, or special rule otherwise applicable with respect to such program, project, activity, or account, and regardless of whether the program, project, activity, or account is self-supporting and does not receive appropriations.

''(2) Payments made by the Government to reimburse or match administrative costs incurred by a State or political subdivision under or in connection with any program, project, activity, or account shall not be considered administrative expenses of the Government for purposes of this section, and shall be subject to sequestration to the extent (and only to the extent) that other payments made by the Government under or in connection with that program, project, activity, or account are subject to that reduction or sequestration; except that Federal payments made to a State as reimbursement of administrative costs incurred by that State under or in connection with the unemployment compensation programs specified in subsection (a)(11) shall be subject to reduction or sequestration under this part notwithstanding the exemption otherwise granted to such programs under that subsection.

''(3) Notwithstanding any other provision of law, the administrative expenses of the following programs shall be exempt from sequestration:

''(A) Comptroller of the Currency.

''(B) Federal Deposit Insurance Corporation.

''(C) Office of Thrift Supervision.

''(D) National Credit Union Administration.

''(E) National Credit Union Administration, central liquidity facility.

''(F) Federal Retirement Thrift Investment Board.

''(G) Resolution Funding Corporation.

''(H) Resolution Trust Corporation.

''(I) Board of Governors of the Federal Reserve System.

''(e) VETERANS' PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

''General Post Funds (36–8180–0–7–705).

''Veterans Insurance and Indemnities (36–0120–0–1–701).

''Service-Disabled Veterans Insurance Funds (36–4012–0–3–701).

''Veterans Reopened Insurance Fund (36–4010–0–3–701).

''Servicemembers' Group Life Insurance Fund (36–4009–0–3–701).

''Post-Vietnam Era Veterans Education Account (36–8133–0–7–702).

''National Service Life Insurance Fund (36–8132–0–7–701).

''United States Government Life Insurance Fund (36–8150–0–7–701).

''Veterans Special Life Insurance Fund (36–8455–0–8–701).

''(f) OPTIONAL EXEMPTION OF DEFENSE AND HOMELAND SECURITY ACCOUNTS.—

''(1) IN GENERAL.—The President may, with respect to any defense or homeland security account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

''(2) LIMITATION.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.''.

**SEC. 203. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

(a) IN GENERAL.—Section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**''SEC. 256. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

''(a) NATIONAL WOOL ACT AND THE SPECIAL MILK PROGRAM.—Automatic spending increases are increases in outlays due to changes in indexes in the following programs:

''(1) National Wool Act; and

''(2) Special milk program.

In those programs all amounts other than the automatic spending increases shall be exempt from reduction under any sequestration order.

''(b) STUDENT LOANS.—For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect as required by section 252 or 253, origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.

''(c) FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS.—Any sequestration order shall make the reduction otherwise required under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance payment rates or adoption assistance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction to the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments attributable to the increases taking effect during that year. No State's matching payments from the Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage. No State may, after the date of the enactment of this Act, make any change in the timetable for making payments under a State plan approved under part E of title IV of the Social Security Act which has the effect of changing the fiscal year in which expenditures under such part are made.

''(d) LOW-INCOME PROGRAMS.—(1) Benefit payments or payments to States or other entities for the programs listed in paragraph (2) shall not be reduced by more than 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs referred to in paragraph (1) are the following:

''Child Nutrition (12–3539–0–1–605).

''Food Stamp Programs (12–3505–0–1–605).

''Grants to States for Medicaid (75–0512–0–1–551).

''State Children's Health Insurance Fund (75–0515–0–1–551).

''Supplemental Security Income Program (75–0406–0–1–609).

''Temporary Assistance for Needy Families (75–1552–0–1–609).

''Special supplemental nutrition program for women, infants, and children (WIC) (12–3510–0–1–605).

''(e) VETERANS' MEDICAL CARE.—The maximum permissible reduction in budget authority for Veterans' medical care (36–0160–0–1–703) for any fiscal year, pursuant to an order issued under section 254, shall be 2 percent.

''(f) FEDERAL RETIREMENT PROGRAMS.—

''(1) For each of the programs listed in paragraph (2) and except as provided in paragraph (3), monthly (or other periodic) benefit payments shall be reduced by the uniform percentage applicable to direct spending sequestrations for such programs, which shall in no case exceed 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January or 7 weeks after the order is issued, whichever is later. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs subject to paragraph (1) are:

''Central Intelligence Agency Retirement and Disability Fund (56–3400–0–1–054).

''Comptrollers General Retirement System (05–0107–0–1–801).

''Judicial Officer' Retirement Fund (10–8122–0–7–602).

''Claims Judges' Retirement Fund (10–8124–0–7–602).

''Pensions for former Presidents (47–0105–0–1–802).

''National Oceanic and Atmospheric Administration Retirement (13–1450–0–1–306).

''Railroad Industry Pension Fund (60–8011–0–7–601).

''Retired pay, Coast Guard (70–0602–0–1–403).

''Retirement pay and medical benefits for commissioned officers, Public Health Service (75–0379–0–1–551).

''Payments to Civil Service Retirement and Disability Fund (24–0200–0–1–805).

''Payments to the Foreign Service Retirement and Disability Fund (72–1036–0–1–153).

''Payments to Judiciary Trust Funds (10–0941–0–1–752).

''(g) VETERANS PROGRAMS.—To achieve the total percentage reduction required by any order issued under this part, the percentage reduction that shall apply to payments under the following programs shall in no event exceed 2 percent:

''Canteen Service Revolving Fund (36–4014–0–3–705).

''Medical Center Research Organizations (36–4026–0–3–703).

''Disability Compensation Benefits (36–0102–0–1–701).

''Education Benefits (36–0137–0–1–702).

''Vocational Rehabilitation and Employment Benefits (36–0135–0–1–702).

''Pensions Benefits (36–0154–0–1–701).

''Burial Benefits (36–0139–0–1–701).

''Guaranteed Transitional Housing Loans For Homeless Veterans Program Account (36–1119–0–1–704).

''Housing Direct Loan Financing Account (36–4127–0–1–704).

''Housing Guaranteed Loan Financing Account (36–4129–0–3–704).

''Vocational Rehabilitation and Education Direct Loan Financing Account (36–4259–0–3–702).

''(h) MILITARY HEALTH CARE AND RETIREMENT.—To achieve the total percentage reduction in military retirement required by any order issued under this part, the percentage reduction that shall apply to payments under the Military retirement fund (97–8097–0–7–602), payments to the military retirement fund (97–0040–0–1–054), and the Defense Health Program (97–0130–0–1–051) shall in no event exceed 2 percent.

''(i) MEDICARE PROGRAM.—

''(1) CALCULATION OF REDUCTION IN INDIVIDUAL PAYMENT AMOUNTS.—To achieve the total percentage reduction in those programs required by any order issued under this part, the percentage reduction that shall apply to payments under the health insurance programs under title XVIII of the Social Security Act (other than payments described in section 255(a)(2)) that are subject to such order for services furnished after any sequestration order is issued shall be such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that fiscal year as determined on a 12-month basis. However, the percentage reduction under any such program shall in no case exceed 2 percent under any sequestration order.

''(2) TIMING OF APPLICATION OF REDUCTIONS.—If a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order.

''(3) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made under paragraph (1) for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

''(4) APPLICATION TO PARTS C AND D.—The reductions otherwise required under parts C and D of title XVIII of the Social Security Act with respect to a fiscal year shall be applied to the calendar year that begins after the end of the fiscal year to which the applicable sequestration order applies.

''(j) FEDERAL PAY.—

''(1) IN GENERAL.—For purposes of any order issued under section 254, new budget authority to pay Federal personnel shall be reduced by the applicable uniform percentage, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military pay to which any individual is entitled under title 37, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'statutory pay system' shall have the meaning given that term in section 5302(1) of title 5, United States Code.

''(B) The term 'elements of military pay' means—

''(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code,

''(ii) allowances provided members of the uniformed services under sections 403a and 405 of such title, and

''(iii) cadet pay and midshipman pay under section 203(c) of such title.

''(C) The term 'uniformed services' shall have the meaning given that term in section 101(3) of title 37, United States Code.

''(k) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in expenditures under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

''(l) EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly benefit payment made under the Federal-State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under an order issued under this title by a percentage not to exceed the percentage by which

the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

''(2) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1954.

''(m) COMMODITY CREDIT CORPORATION.—

''(1) POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

''(2) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—(A) Payments and loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time any sequestration order has been issued shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after any sequestration order is issued for a fiscal year, any cash payments made by the Commodity Credit Corporation—

''(i) under the terms of any one-year contract entered into in or after such fiscal year and after the issuance of the order; and

''(ii) out of an entitlement account,

to any person (including any producer, lender, or guarantee entity) shall be subject to reduction under the order.

''(B) Each contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A) shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of any sequestration order, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for succeeding crops of the commodity, under the authority provided in paragraph (3).

''(3) DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—Notwithstanding any other provision of this title, if any sequestration order is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (2) may provide for reductions in outlays for the account involved to occur in the fiscal years following the fiscal year to which the order applies.

''(4) UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.—All reductions described in paragraph (2) that are required to be made in connection with any sequestration order with respect to a fiscal year—

''(A) shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order; and

''(B) with respect to commodity price support and income protection programs, shall be made in such manner and under such procedures as will attempt to ensure that—

''(i) uncertainty as to the scope of benefits under any such program is minimized;

''(ii) any instability in market prices for agricultural commodities resulting from the reduction is minimized; and

''(iii) normal production and marketing relationships among agricultural commodities (including both contract and non-contract commodities) are not distorted.

In meeting the criterion set out in clause (iii) of subparagraph (B) of the preceding sentence, the President shall take into consideration that reductions under an order may apply to programs for two or more agricultural commodities that use the same type of production or marketing resources or that are alternative commodities among which a producer could choose in making annual production decisions.

''(5) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this title shall limit or reduce in any way any appropriation that provides the Commodity Credit Corporation with funds to cover the Corporation's net realized losses.

''(n) POSTAL SERVICE FUND.—Notwithstanding any other provision of law, any sequestration of the Postal Service Fund shall be accomplished by a payment from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall make the full amount of that payment during the fiscal year to which the presidential sequestration order applies.

''(o) EFFECTS OF SEQUESTRATION.—The effects of sequestration shall be as follows:

''(1) Budgetary resources sequestered from any account other than an entitlement trust, special, or revolving fund account shall revert to the Treasury and be permanently canceled.

''(2) Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

''(3) Administrative regulations or similar actions implementing a sequestration shall be made within 120 days of the sequestration order. To the extent that formula allocations differ at different levels of budgetary resources within an account, program, project, or activity, the sequestration shall be interpreted as producing a lower total appropriation, with that lower appropriation being obligated as though it had been the pre-sequestration appropriation and no sequestration had occurred.

''(4) Except as otherwise provided, obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years.

''(5) If an automatic spending increase is sequestered, the increase (in the applicable index) that was disregarded as a result of that sequestration shall not be taken into account in any subsequent fiscal year.

''(6) Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by amending the item relating to section 256 to read as follows:

''Sec. 256. Exceptions, limitations, and special rules.''.

**SEC. 204. TECHNICAL AND CONFORMING AMENDMENTS.**

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 251(a)(1) is amended by inserting '', section 252A,'' after ''section 252''.

(2) Section 254(c)(4)(B) is amended by inserting ''or section 252A'' after ''section 252''.

(3) Section 254(c) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

''(A) The total level of direct spending for all programs, projects, and activities (excluding social security).

''(B) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to comply with section 252A.''.

(4) Section 254(f) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

''(4) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the direct spending control sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequesterable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each outyear for direct spending programs.''.

(5) Section 258C(a)(1) is amended by inserting '', 252A,'' after ''section 252''.

## TITLE III—LONG-TERM UNFUNDED OBLIGATIONS AND OTHER AMENDMENTS

**SEC. 301. LONG-TERM UNFUNDED OBLIGATIONS.**

(a) IN GENERAL.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following:

## PART C—LONG-TERM UNFUNDED OBLIGATIONS

**''SEC. 441. ANALYSIS OF LONG-TERM UNFUNDED OBLIGATIONS.**

''Beginning in fiscal year 2006, the President's budget shall include an analysis of long-term unfunded obligations. This analysis shall include:

''(1) An analysis of the impact of long-term unfunded obligations in applicable entitlement programs on the long-term level of unified budget outlays and the unified budget surplus or deficit, in relation to the projected level of the Gross Domestic Product.

''(2) A report on the impact of legislation enacted during the previous session of Congress that increases the long-term unfunded obligation in any applicable group of entitlement program.

''(3) An analysis of the impact of legislation proposed in the President's budget on the long-term unfunded obligation in any applicable entitlement program.

**''SEC. 442. STANDARD FOR DETERMINING INCREASE IN LONG-TERM UNFUNDED OBLIGATION.**

''For the purpose of this part, legislation shall be considered to increase the long-term unfunded obligation of an applicable group of entitlement programs if it either—

''(1) increases the excess of the discounted present value of the expenditures of programs in the group above the discounted present value of the dedicated receipts of programs in the group over a long-term estimating period by more than an applicable threshold; or

''(2) increases the dollar level of the expenditures of programs in the group above the dedicated receipts of programs in the group above the dedicated receipts of programs in the group in the last year of the estimating period by more than the applicable threshold.

**"SEC. 443. LONG-TERM UNFUNDED OBLIGATION ANALYSES BY CONGRESSIONAL BUDGET OFFICE.**

''The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

''(1) an estimate of any increase of the long-term unfunded obligation of any applicable entitlement program which would be incurred in carrying out such bill or resolution as measured by the increase of the excess of the discounted present value of the expenditures of such program above the discounted present value of the dedicated receipts of such program over a long-term estimating period by more than an applicable threshold; and

''(2) an estimate of any increase in the dollar level of the expenditures of such program above the dedicated receipts of such program above the dedicated receipts of such program in the last year of the estimating period by more than the applicable threshold.

The estimates and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

**"SEC. 444. DEFINITIONS.**

''As used in this part—

''(1) the term 'applicable entitlement program' shall be defined as any one of the following programs:

''(A) Old Age, Survivors, and Disability Insurance.

''(B) Medicare (combined hospital insurance and supplemental medical insurance).

''(C) Civilian retirement and disability (combined Civil Service Retirement System and Federal Employees Retirement System).

''(D) Foreign Service Retirement and Disability (combined Foreign Service Retirement and Disability System and Foreign Service Pension System).

''(E) Retired Employees Health Benefits.

''(F) Military Retirement System.

''(G) Uniformed Services Retiree Health Care System.

''(H) Railroad Retirement System (combined Rail Industry Pension Fund, Social Security Equivalent Benefit Account, and National Railroad Retirement Investment Trust).

''(I) Supplemental Security Income (SSI).

''(J) For estimates made on or after January 1, 2006, veterans disability compensation.

''(K) Any other entitlement program with regularly available long-term estimates.

''(2) The term 'entitlement program with regularly available long-term estimates' means a program for which the Director of the Congressional Budget Office, in consultation with the Committees on the Budget of the House of Representatives and the Senate and the Director of the Office of Management and Budget, has determined that it is feasible to make long-term estimates of expenditures and dedicated receipts based on explicit demographic, economic, and other estimating assumptions. The Director shall notify the House and Senate Committees on the Budget in writing, whenever he or she makes such a determination.

''(3) The term 'applicable group of entitlement programs' shall be defined as any of the following:

''(A) Old Age, Survivors, and Disability Insurance.

''(B) All applicable entitlement programs except Old Age, Survivors, and Disability Insurance.

''(4) The term 'long-term estimating period' shall be defined as 75 years, starting with the current year, for all applicable entitlement programs except for Old Age, Survivors, and Disability Insurance. For Old Age, Survivors, and Disability Insurance, the term shall be defined as the infinite period of years utilized in the most recent annual report of the Board of Trustees provided pursuant to section 201(c)(2) of the Social Security Act.

''(5) The term 'last year of the estimating period' shall be defined as the 75th year of the long-term estimating period.

''(6) The term 'dedicated receipts' shall be defined, for all applicable entitlement programs other than Medicare, as taxes and fees received from the public, payments received from Federal agencies on behalf of Federal agency employees who are participants in the program, transfers received by the program under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)), and transfers from the general fund of amounts equivalent to income tax receipts under section 86 of the Internal Revenue Code. Dedicated receipts shall not include payments from the general fund to amortize a program's unfunded liability or payments of interest on a program's trust fund holdings. For Medicare, 'dedicated receipts' shall be defined according to section 801(c)(3) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

''(7) The term 'expenditures' shall be defined, for all applicable entitlement programs other than Medicare, to include benefit payments, administrative expenses to the extent paid from a dedicated fund, and transfers to other programs made under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)). For Medicare, 'expenditures' shall be defined according to section 801(c)(4) of the Medicare prescription Drug, Improvement, and Modernization Act of 2003.

''(8) The term 'applicable threshold' shall be defined as:

''(A) For a group of applicable entitlement programs over a long-term estimating period—

''(i) 0.02 percent of the present value of the taxable payroll of the group of programs over the estimating period, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare; and

''(ii) 1 percent of the present value of the expenditures over the estimating period of the programs in the group that are affected by the legislation.

''(B) For a group of applicable entitlement programs in the last year of the estimating period—

''(i) 0.02 percent of the taxable payroll of the group of programs in that year, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare;

''(ii) 0.01 percent of Gross Domestic Product in that year; or

''(iii) 1 percent of the expenditures in that year of the programs in the group that are affected by the legislation.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 428 the following:

''PART C—LONG-TERM UNFUNDED OBLIGATIONS

''Sec. 441. Analysis of long-term unfunded obligations.

''Sec. 442. Standard for determining increase in long-term unfunded obligation.

''Sec. 443. Long-term unfunded obligation analyses by congressional budget office.

''Sec. 444. Definitions.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Texas (Mr. HENSARLING) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

□ 1745

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

First, I want to offer my congratulations to the gentleman from Iowa (Chairman NUSSLE) for his fine work on an incredibly important topic that we take up today, and that is the topic of limiting the size, the scope, the power, the expense of government. In his underlying bill, he has placed a cap on the growth, on the growth of discretionary spending.

This amendment would also offer a cap on the growth of mandatory spending, again, a cap on the growth. Under this particular amendment, mandatory spending would grow by either CPI, the consumer price index, or the program inflator, plus new enrollees. There are certain exemptions, certain programs that, if this were to be enforced by a sequester, would have a 2 percent protection.

But the truth is this is an amendment that goes to the heart of the question: Does this body believe in limited government? Is government ever too big? Is spending ever out of control? Should we ever do anything to protect the family budget from the Federal budget? Many of us believe that spending is indeed out of control.

Mr. Chairman, since I have been on the face of the planet, the Federal budget has grown seven times faster, seven times faster, than the family budget as measured by median worker income. I believe that is an unsustainable growth rate, and an unconscionable growth rate. If we look at it on a per capita basis, net interest outlays have increased 3.6 percent faster than inflation each year since 1997. We see where the trend lines are headed. Ten years of spending history: total spending growth has averaged 5 percent each year since 1994, and the incline gets greater and greater and greater.

Until we finally draw a line in the sand and tell the American people at some point we are going to quit taking money away from them, at some we are going to go in and begin to reform programs, we are going to prioritize programs, we are going to go in and begin to root out the waste, the fraud, the abuse, the duplication that permeates every corner, then American families will not be able to realize their dreams, their dream of a better tomorrow, their dream of better education for their children, their dream of better health care for their family. We must decide at some point that we are going to limit the growth of government, and this amendment would do that.

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

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

Mr. Chairman, this bill would set an arbitrary cap on some of the most important spending in the Federal budget, the spending that supports Medicare, on which millions depend for their health care; the spending that supports Medicaid. All kinds of spending falls under the rubric of category of direct spending or mandatory spending, including debt service, the interest we pay on our national debt. So we fix a level that corresponds to the existing level of expenditure, and then every year it increases.

The gentleman does allow for the spending level to increase with the rate of inflation measured by the CPI. As everyone in this room knows, the cost of health care every year, for as long as I have known it, goes up substantially more than the consumer price index so that over time in holding Medicare to no more than the rate of growth of the CPI, while the rest of health care spending is going up at a substantially higher rate, this is going to erode away spending authority for Medicare. It is going to result in automatic cuts in Medicare and other programs, affected programs. If the cuts are not taken out of Medicare, they will have to come all the more out of other programs.

Secondly, since debt service, the interest we pay on the national debt, is included, we could have this anomaly: we could have a huge tax cut that would result in a substantial deficit, requiring us to borrow large sums of money. Interest on the principal for the additional debt would go up, and that increment over and above the entitlement cap would have to be taken out of other spending programs like the Medicaid or children's health insurance or TRICARE for Life, trade adjustment assistance. All of these programs fall under that category and would be subject to automatic cuts if we had any anomalous action like that.

So this is not a good idea. Certainly these are not programs we want to put in that kind of jeopardy. We would like to exercise some control over their growth, and we have from time to time in the past voted to reduce rates of expenditure to curb the growth in Medicare and Medicaid and these other programs. But to do it automatically, to do it mindlessly, to do it with a meat cleaver is not the way to go on these programs on which so many people depend.

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

Mr. HENSARLING. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I just want to respond to a few things the gentleman from South Carolina said.

Number one, the cap is indexed to inflation at the CPI or another inflation adjuster, such as, in the case of Medicare, medical inflation, Medicare price. So how can he say that it is a cut if each of these programs grows by inflation plus new beneficiaries and the inflation within those kinds of programs?

The problem we have, Mr. Chairman, is when we put most of the Federal Government off limits to budget discipline, it grows out of control. I hope that those who are in charge of discretionary spending in Congress also join with us in trying to control mandatory spending, because if we can control mandatory spending, we can get our hands around the big problem in our budget system in the Federal Government, and that is out-of-control spending. We do this in an honest way, we do this in a sincere way, and we do this in a way to protect those. That is why earned entitlements are off limits, like Social Security and Medicare benefits. We do this in a way that we protect beneficiaries, we protect them from inflation, and we get our hands around the biggest part of our Federal budget, entitlements.

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

In response to the gentleman's statement, it is still my understanding that child care, direct student loans, farm price supports, TRICARE for Life, military health care benefits, and trade adjustment assistance, among other things, would be subject to these automatic cuts. If there was some sort of growth over and above the cap that he has imposed, all of these things would get whacked unless Congress somehow intervened and saved them from being cut by administering cuts elsewhere in the budget.

It is not a good idea. It is not a workable idea. And I continue to oppose the amendment.

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

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the gentleman from Texas for yielding me this time, and I commend him for this amendment.

If we are serious about getting spending under control, we simply have to address the mandatory side. It is as simple as that. In 1963 mandatory spending was 25 percent of the Federal budget. Today it is over 60 percent; and it is on its way up in absolute terms, as a percentage term. It is growing faster than any reasonable measure. And to allow, as this amendment does, for it to grow at the sum of the rate of growth of the population and inflation, allows us to maintain the level of benefits. It just puts a break on the out-of-control spending.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me this time.

This amendment points out the difficulty in the one-way PAYGO. If we have a crunch, we can only deal with it by cutting spending. We cannot deal with it any other kind of way. With the one-way PAYGO, if we want to deal with the problem through tax cuts, if we have health care we want to deliver, we can do it in tax cuts. Just give tax credits. There is no limit to what we can do. But if we have a crunch and the budget is tight, we have got to have this mindless across-the-board cut. If we do it through tax cuts, we could have tax cuts at the same time that we are cutting the spending.

This is what happens when we have a two-way PAYGO, that is, if we are going to cut taxes, we have to cut spending. If we increase spending, we have got to raise taxes or any combination. The green was with PAYGO; the red is what happens when we have unlimited tax cuts with PAYGO. This just says we have got to cut mindlessly across the board with spending. If we have a crunch and we have a new need, we cannot make it; we cannot meet it. If we want to meet it, the only way we can do it is through some tax plan where we are unlimited. But if we have a new program, if there is a housing need, if there is a health care need, something new we want to do, we cannot do it. This is why we need a two-way PAYGO and a more sensible way to deal with our budget, not mindless across-the-board tax cuts.

Mr. HENSARLING. Mr. Chairman, I yield the balance of my time to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of this amendment. My colleagues on the Committee on Appropriations correctly point out that the engine driving the train here is entitlement spending, not discretionary spending, over which they have control. And they are right.

Every American, I think, understands in their gut that entitlement spending is out of control. It is out of control because there are no restraints on it. I would like to point out, as my colleague from Pennsylvania did just a moment ago, in 1963, not that long ago, 25 percent of our spending was entitlement spending. Today it is over 60 percent of all our spending. We have to control that, and this is a rational basis to do it because it limits the growth to the growth in the population of the constituency plus inflation. That is the only way we can rationally limit spending. And it is not a meat cleaver.

I urge my colleagues to support the amendment.

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

Mr. Chairman, the caps that are being proposed here could create shortfalls of billions of dollars over the next 10 years, triggering huge cuts. And let me tell the Members the programs that would be cut: veterans compensation, veterans pensions, food stamps, Medicaid, children's health insurance, childcare, direct student loans, farm

price supports, TRICARE for Life, military benefits, and trade adjustment assistance among others.

This is not a good plan. We do not need to put those in jeopardy of automatic cuts, and I oppose the amendment and urge others to do so also.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. HENSARLING) will be postponed.

It is now in order to consider amendment No. 5 printed in House Report 108–566.

AMENDMENT NO. 5 OFFERED BY MR. HENSARLING

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. HENSARLING:

At the end, add the following new section:

**SEC. . GOVERNMENT SHUTDOWN PROTECTION.**

(a) IN GENERAL.—Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

**"§ 1311. Continuing appropriations**

''(a)(1) If any regular appropriation bill for a fiscal year does not become law before the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

''(A) in the corresponding regular appropriation Act for such preceding fiscal year; or

''(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

''(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

''(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year;

''(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year;

''(C) the rate of operations provided for in the regular appropriation bill as passed by the House of Representatives or the Senate for the fiscal year in question, except that the lower of these two versions shall be ignored for any project or activity for which there is a budget request if no funding is provided for that project or activity in either version; or

''(D) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year or any funding levels established under the provisions of this Act.

''(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

''(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be; or

''(B) the last day of such fiscal year.

''(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

''(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such project or activity during the portion of such fiscal year for which this section applies to such project or activity.

''(d) Expenditures made for a project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such project or activity for such period becomes law.

''(e) This section shall not apply to a project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

''(1) makes an appropriation, makes funds available, or grants authority for such project or activity to continue for such period; or

''(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such project or activity to continue for such period.

''(f) For purposes of this section, the term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

''(1) Agriculture, rural development, Food and Drug Administration, and related agencies programs.

''(2) The Departments of Commerce, Justice, and State, the Judiciary, and related agencies.

''(3) The Department of Defense.

''(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

''(5) Energy and water development.

''(6) Foreign operations, export financing, and related programs.

''(7) The Department of Homeland Security.

''(8) The Department of the Interior and related agencies.

''(9) The Departments of Labor, Health and Human Services, and Education, and related agencies.

''(10) The Legislative Branch.

''(11) Military construction, family housing, and base realignment and closure for the Department of Defense.

''(12) The Departments of Transportation and Treasury, and independent agencies.

''(13) The Departments of Veterans Affairs and Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.''.

(b) CLERICAL AMENDMENT.—The analysis of chapter 13 of title 31, United States Code, is amended by inserting after the item relating to section 1310 the following new item:

''1311. Continuing appropriations.''

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Texas (Mr. HENSARLING) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

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

Mr. Chairman, this is a very simple amendment. In the past when this House has not agreed with the other body on a budget, occasionally we have faced a government shutdown, a train wreck. The government has shut down 17 times since 1977, for a total of 109 days. These shutdowns should not happen. They are not good for the American people. Parks close. Applications for visas go unprocessed. Toxic waste clean-up is postponed.

This amendment is very simple. It says if for whatever reason we cannot come to an agreement on the budget, we do not shut down the government. We go back to the last agreement on the table. We put in place a continuing resolution until such time as we can come to agreement so we do not hold the American people hostage.

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

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I will speak quickly because time is so limited. We are dealing with a constitutional issue in what we are talking about today. We have raised that issue many times.

Section 9 of article I is very specific: ''No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.'' But it goes further to say ''and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.''

If we were to agree to put into place an automatic continuing resolution, we would not follow the Constitution. We put the administration on auto pilot; and we let the Congress say that it is going to be a lot easier to avoid those difficult days and hours, those difficult decisions. Just go on automatic pilot with a CR. Ignore the Constitution.

This is not a good amendment.

□ 1800

This is not a good plan. I supported the first amendment of the gentleman, but I cannot support this amendment. I think it flies in the face of the Constitution.

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

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

Mr. Chairman, this particular amendment could have a perverse and unintended result, and that is it could lower, lessen the incentive for Congress to get its work done, knowing that if we could not come together and pass appropriation bills, all 13 of them, if we could not get them on the President's desk in time, why, it would be automatic. This continuing resolution would just automatically kick into effect.

Anyone bent upon sort of disrupting the process and preventing an appropriations bill that he thought was maybe too much or maybe too little could manipulate this result, manipulate the situation if this rule were in place. So I do not think it helps the process at all.

I think when we have to pass a continuing resolution, it is a bit embarrassing that we have to get up and say to the country and the public, as well as the President, we have not gotten our work done yet, so keep on spending money at the existing level. It gives us a strong incentive to go ahead and finally come to those final compromises that help us close the appropriations process.

So this would probably complicate, prolong the process, and lead to situations where we did not even pass appropriation bills because there would be an automatic reversion to the prior year's spending level.

It is not a good idea. It has been debated before, debated more thoroughly than it has been debated tonight, and there is a good reason it has never become law, it is not a workable or viable idea.

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

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

Mr. Chairman, first I would like to thank the gentleman from Florida for allowing me to bat 500 with him.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this is, I think, just a matter of responsible government. This is a very good amendment. It is responsible because the status quo is not. It is not responsible to have the threat of a government shutdown looming over this process. It is not responsible to have the American people wondering whether or not government services are going to be suspended, whether or not important functions are going to be disrupted. That is what is irresponsible.

What is responsible is to say if we are unable to come to a resolution and pass a new appropriation bill, then we will, by an act of Congress, continue under the previously enacted appropriation bill.

Contrary to my good friend and a colleague I respect, the gentleman from Florida, I do not see any constitutional problem with this whatsoever. It still is an exercise in Congressional authority in establishing the level of appropriations, but it happens to do so at the previous year's level. There is nothing in the Constitution that says we have to change the level of spending from one year to the next, so I tend to disagree with that.

The other problem I have with the status quo and the reason that I like this amendment so much is that in the absence of an automatic continuing CR, let us face it, we know what happens. There is a big game of political chicken that happens.

If we do not have an agreement, there is a big tension, a big question about which side is going to get the blame if there is a government shutdown. If one side thinks there is political gain to be had from precipitating a shutdown, it has an incentive to precipitate one, to cause it. That goes back to the issue of responsible government. That is not the way we ought to be running this place. So that is a second thing.

Here is a third reason why I think this makes a lot of sense, and some of my colleagues do not like this reason. But the fact is sometimes we have operated for months on end with a continuing resolution, continuing spending at the previous year's level. And do you know what we discovered? No huge outcry. No great catastrophe. American society did not collapse, it was not the end of the world. We discovered that basically freezing spending at the previous year's level in many areas was no big deal.

Now, if you are interested in more spending, that is a problem. But if you are interested in getting spending under control, this is a very good amendment, and I urge my colleagues to support it.

Mr. SPRATT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas has 2 minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Iowa (Mr. NUSSLE), the esteemed chairman of the Committee on the Budget.

Mr. NUSSLE. Mr. Chairman, I support the gentleman's amendment.

More than anything else, I just want to make an observation: There has been a lot of coming to the floor and saying the budget process is broken. Part of the reason that this amendment is being offered is because it is the appropriations process that cannot get done on time.

We have had so many years when appropriations do not get done on time, and, because of that, the threat hangs over for government shutdown. It is the reason why we are looking, grappling for a way to make sure that does not happen. But it is because of the appropriations process that with the budget process and other processes around here have some challenges.

So do not come down and just talk about the budget. It is also the appropriations process that has challenges.

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I just would like to bring some illumination to this with numbers. This brinksmanship that this process brings us to has brought us a lot of extra spending. In fiscal year 2002, the discretionary spending level in the budget resolution was $661 billion. We spent $734 billion.

In FY 2003, the discretionary spending level was set out in the budget resolution at $750 billion. We ended up spending $849 billion.

In FY 2004, the discretionary spending was $784 billion. We ended up spending $873 billion.

This brinksmanship brings us to this overspending limit. This amendment stops that.

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding me time, and I rise in support of this amendment.

Mr. Chairman, the reality is, it is a common-sense amendment. I was here in 1995 when the government shut down. My colleague from South Carolina said look, it is simply not needed. The current process works and this process helps us.

Since 1977, in 27 years, we have shut this government down 17 different times for a total of 109 days. What that means to the American people is that in 1995, 368 national parks closed, 7 million visitors were turned away, a loss of $14 million in tourism revenue, and 20,000 to 30,000 applications for visas went unprocessed every single day.

It is not a yielding of our constitutional authority, it is indeed a rational way to deal with the process. We need to do our budget work, and if we cannot get it done in time, we need a process to keep the government open and running to serve the people.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. HENSARLING. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I have the greatest amount of respect for the gentleman from Florida, the chairman of the Committee on Appropriations, and the ranking member on the Committee on the Budget, but it seems to me rarely has an amendment been endowed with such common sense as this one. Why do we shut down the government if we cannot get our business done? Do we understand the implications to the average American out there in the street?

This is common sense. It needs to get done. On behalf of the people of America, I would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. HENSARLING) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 1 offered by Mr. BRADY of Texas; amendment No. 2 offered by Mr. CHOCOLA of Indiana; amendment No. 3 offered by Mr. CASTLE of Delaware; amendment No. 4 offered by Mr. HENSARLING of Texas; and amendment No. 5 offered by Mr. HENSARLING of Texas.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. BRADY OF TEXAS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. BRADY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 15-minute vote, followed by four 5-minute votes.

The vote was taken by electronic device, and there were—ayes 272, noes 140, not voting 21, as follows:

[Roll No. 305]

AYES—272

Aderholt
Akin
Alexander
Baca
Bachus
Baird
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bell
Berry
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Cardoza
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Coble
Cole
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (TN)
Davis, Jo Ann
Deal (GA)
DeFazio
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doggett
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graves
Green (TX)
Green (WI)
Gutknecht
Hall
Harman
Hart
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley (OR)
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Lampson
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Marshall
Matheson
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Ortiz
Osborne
Otter
Oxley
Pascrell
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Turner (TX)
Udall (NM)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (SC)
Wu
Young (AK)

NOES—140

Abercrombie
Ackerman
Allen
Andrews
Baker
Baldwin
Becerra
Berkley
Bishop (GA)
Bishop (NY)
Blumenauer
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Chandler
Clay
Clyburn
Conyers
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doyle
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frelinghuysen
Greenwood
Grijalva
Gutierrez
Hinchey
Holt
Honda
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kolbe
Kucinich
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
Meek (FL)
Menendez
Michaud
Miller (MI)
Miller (NC)
Miller, George
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ose
Owens
Pallone
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Scott (VA)
Serrano
Sherman
Simpson
Slaughter
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Wilson (NM)
Wolf
Woolsey
Wynn
Young (FL)

NOT VOTING—21

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Gephardt
Granger
Harris
Hastings (FL)
Hastings (WA)
Jefferson
Jones (OH)
McDermott
Meeks (NY)
Mollohan
Rothman
Roybal-Allard
Tauzin
Velázquez

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1837

Ms. JACKSON-LEE of Texas, Ms. CORRINE BROWN of Florida, Ms. DeGETTE, Ms. McCARTHY of Missouri, Mr. EVANS, and Mr. CROWLEY changed their vote from ''aye'' to ''no.''

Mrs. EMERSON, and Messrs. LEWIS of California, BOEHNER, PETERSON of Pennsylvania, GILCHREST, WICKER, RUPPERSBERGER, SNYDER and EHLERS changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Ms. HARRIS. Mr. Chairman, on rollcall No. 305 I was unavoidably detained. Had I been present, I would have voted "aye."

AMENDMENT NO. 2 OFFERED BY MR. CHOCOLA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Indiana (Mr. CHOCOLA) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 126, noes 290, not voting 17, as follows:

[Roll No. 306]

AYES—126

Akin
Bachus
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Boozman
Boswell
Brady (TX)
Burgess
Burns
Burton (IN)
Camp
Cannon
Carter
Castle
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Davis, Jo Ann
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Duncan
Dunn
Ehlers
Feeney
Flake
Foley
Forbes
Fossella
Franks (AZ)
Garrett (NJ)
Gerlach
Gingrey
Goode
Goodlatte
Green (TX)
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hensarling
Herger
Hoekstra

Holden
Hostettler
Houghton
Hulshof
Isakson
Johnson (CT)
Johnson, Sam
Jones (NC)
Keller
Kennedy (MN)
King (IA)
Kirk
Kline
Leach
Manzullo
McCrery
McInnis
McKeon
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Murtha
Musgrave
Myrick
Neugebauer
Ney
Norwood
Otter
Pearce
Pence
Petri
Pitts
Platts
Pryce (OH)
Radanovich
Ramstad
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shimkus
Shuster
Smith (MI)
Smith (WA)
Souder
Stearns
Sullivan
Tancredo
Thornberry
Tiberi
Toomey
Upton
Vitter
Weller
Wilson (NM)
Wilson (SC)

NOES—290

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Boehlert
Bonilla
Bonner
Bono
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burr
Buyer
Calvert
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gibbons
Gilchrest
Gillmor
Gonzalez
Gordon
Goss
Graves
Grijalva
Gutierrez
Hall
Harman
Hayes
Hefley
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holt
Honda
Hooley (OR)
Hoyer
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
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
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moran (VA)
Murphy
Nadler
Napolitano
Neal (MA)
Nethercutt
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pombo
Pomeroy
Porter
Portman
Price (NC)
Putnam
Quinn
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Rodriguez
Rogers (KY)
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Sherwood
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—17

Barton (TX)
Bereuter
Berman
Blumenauer
Carson (IN)
Collins
Davis, Tom
Deutsch
Gephardt
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1845

Mr. RADANOVICH changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 3 OFFERED BY MR. CASTLE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Delaware (Mr. CASTLE) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 185, noes 230, not voting 18, as follows:

[Roll No. 307]

AYES—185

Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Bradley (NH)
Brady (TX)
Brown (SC)
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Carter
Castle
Chabot
Chocola
Cole
Cox
Crane
Crenshaw
Culberson
Davis (TN)
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hayworth
Hensarling
Herger
Herseth
Hoekstra
Holden
Hostettler
Hulshof
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Latham
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Manzullo
McCrery
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Murtha
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nussle
Osborne
Ose
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Portman
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Simmons
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden (OR)
Wamp
Weldon (PA)
Whitfield
Wicker
Wilson (SC)

NOES—230

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Brown-Waite, Ginny
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Chandler
Clay
Clyburn
Coble
Cooper
Costello
Cramer
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graves
Grijalva
Gutierrez
Hayes
Hefley
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kleczka
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (VA)
Murphy
Nadler
Napolitano
Neal (MA)
Nunes
Oberstar
Obey
Olver
Ortiz
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pombo
Pomeroy
Porter
Price (NC)
Quinn
Radanovich
Rahall

Rangel
Renzi
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Sherwood
Simpson
Slaughter
Smith (NJ)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—18

Barton (TX)
Bereuter
Berman
Carson (IN)
Case
Collins
Conyers
Davis, Tom
Deutsch
Gephardt
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1852

Ms. HARMAN changed her vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 4 OFFERED BY MR. HENSARLING

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 96, noes 317, not voting 20, as follows:

[Roll No. 308]

AYES—96

Akin
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bishop (UT)
Blackburn
Blunt
Boehner
Brady (TX)
Burgess
Burns
Cannon
Cantor
Carter
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Culberson
Deal (GA)
DeLay
DeMint
Diaz-Balart, M.
Doolittle
Duncan
Dunn
Feeney
Flake
Forbes
Franks (AZ)
Garrett (NJ)
Gibbons
Gingrey
Goode
Goodlatte
Green (WI)
Gutknecht
Hall
Harris
Hayworth
Hefley
Hensarling
Hoekstra
Hostettler
Isakson
Istook
Johnson, Sam
Keller
Kennedy (MN)
King (IA)
Kingston
Kline
Manzullo
McKeon
Miller (FL)
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Norwood
Ose
Otter
Paul
Pearce
Pence
Pitts
Pombo
Putnam
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shimkus
Smith (MI)
Souder
Stearns
Sullivan
Tancredo
Taylor (NC)
Thornberry
Tiahrt
Toomey
Vitter
Wamp
Weldon (FL)
Wilson (SC)

NOES—317

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burr
Burton (IN)
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gilchrest
Gillmor
Gonzalez
Gordon
Goss
Graves
Green (TX)
Greenwood
Grijalva
Gutierrez
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Waters
Watson
Watt
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—20

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Gephardt
Granger
Hart
Hastings (FL)
Hastings (WA)
Herger
Issa
Jones (OH)
McDermott
Mollohan
Ros-Lehtinen
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1859

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Ms. HART. Mr. Chairman, on rollcall No. 308 I was unavoidably detained. Had I been present, I would have voted ''aye.''

Mr. HERGER. Mr. Chairman, on rollcall No. 308 I was unavoidably detained. Had I been present, I would have voted ''aye.''

Stated against:

Ms. ROS-LEHTINEN. Mr. Chairman, on rollcall No. 308 I was unavoidably detained. Had I been present, I would have voted ''no.''

AMENDMENT NO. 5 OFFERED BY MR. HENSARLING

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 111, noes 304, not voting 18, as follows:

[Roll No. 309]

AYES—111

Akin
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bilirakis
Bishop (UT)
Blackburn
Boehner
Brady (TX)
Brown-Waite, Ginny
Burr
Cannon
Cantor
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Dunn
English
Feeney
Flake
Foley
Forbes
Fossella
Franks (AZ)
Garrett (NJ)
Gibbons
Gillmor
Gingrey
Goode
Goodlatte
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hefley

Hensarling
Herger
Hoekstra
Hostettler
Hulshof
Isakson
Issa
Johnson, Sam
Keller
Kennedy (MN)
King (IA)
Kline
Linder
Manzullo
McCrery
McInnis
McKeon
Mica
Miller (FL)
Moran (KS)
Musgrave
Myrick
Neugebauer
Norwood
Nunes
Nussle
Ose
Otter
Paul
Pence
Pitts
Pombo
Radanovich
Ramstad
Reynolds
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Smith (MI)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thomas
Tiberi
Toomey
Upton
Vitter
Walden (OR)
Wilson (NM)
Wilson (SC)

NOES—304

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baldwin
Becerra
Bell
Berkley
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Carter
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gilchrest
Gonzalez
Gordon
Goss
Graves
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hunter
Hyde
Inslee
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (VA)
Murphy
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—18

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Evans
Gephardt
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin
Waters

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). There are 2 minutes remaining in this vote.

□ 1906

Mr. NUNES changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NUSSLE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. TERRY) 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. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, had come to no resolution thereon.

## PERMISSION FOR AMENDMENT NO. 18 TO BE CONSIDERED OUT OF SEQUENCE AND WITHDRAWN AFTER DEBATE DURING FURTHER CONSIDERATION OF H.R. 4663, SPENDING CONTROL ACT OF 2004

Mr. DREIER. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 4663 pursuant to House Resolution 692, amendment No. 18 in House Report 108–566 may be considered out of sequence in the Committee of the Whole, and that the amendment may be withdrawn by its proponent after debate thereon.

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

There was no objection.

## SPENDING CONTROL ACT OF 2004

The SPEAKER pro tempore. Pursuant to House Resolution 692 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4663.

□ 1905

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 further consideration of the bill (H.R. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, with Mr. BASS (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, amendment No. 5 printed in House Report 108–566 offered by the gentleman from Texas (Mr. HENSARLING) had been disposed of.

Pursuant to the order of the House of today, amendment No. 18 printed in the report may be considered out of sequence and may be withdrawn by its proponent after debate thereon.

AMENDMENT NO. 18 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 18 in the nature of a substitute No. 18 offered by Mr. YOUNG of Florida:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Spending Control Act of 2004''.

**SEC. 2. EXTENSION OF DIRECT SPENDING CONTROLS.**

(a) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(a) PURPOSE.—The purpose of this section is to assure that any legislation that causes a net increase in direct spending will trigger an offsetting sequestration.''.

(b) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''any net deficit increase'' and all that follows through ''2002,'' and by inserting ''any net increase in direct spending,''.

(c) CALCULATION OF DIRECT SPENDING INCREASE.—(1) Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(2) CALCULATION OF DIRECT SPENDING INCREASE.—OMB shall calculate the amount of increase or decrease in direct spending. If, in the President's budget submission pursuant to section 1105(a) of title 31, United States Code, baseline estimates for direct spending for the current year exceed the direct spending baseline estimates for the current year assumed in the previous year's budget as a result of legislation enacted since the previous budget, that shall be treated as an increase in direct spending for purposes of this section.

(2) CONFORMING AMENDMENT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(35) a separate statement identifying the changes in direct spending baseline estimates for the current year resulting from economic factors, technical factors, or enacted legislation.''.

(d) CONFORMING AMENDMENTS.—(1) The heading of section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: ''ELIMINATING A DIRECT SPENDING INCREASE.—''.

(2) Paragraphs (1), (2), and (4) of section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''or receipts'' each place it appears.

(3) Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''or receipts'' and by striking '', outlays, and receipts'' and inserting ''and outlays''.

(4) Section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subparagraph (A) by striking ''net deficit increase or decrease'' and by inserting ''net increase or decrease in direct spending'';

(B) in subparagraph (B) by striking ''amount of deficit increase or decrease'' and by inserting ''increase or decrease in direct spending''; and

(C) in subparagraph (C) by striking ''a deficit increase'' and by inserting ''an increase in direct spending''.

**SEC. 3. PROJECTIONS UNDER SECTION 257.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after paragraph (6) the following new paragraph:

''(7) EMERGENCIES.—New budgetary resources designated under section 251(b)(2)(A) or 251(b)(2)(I) shall not be assumed beyond the fiscal year for which they have been enacted.''.

**SEC. 4. EXCEPTION FOR OUTLAY COMPONENTS OF EXPIRING RECEIPTS LEGISLATION.**

Section 252(d)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''and'' at the end of subparagraph (A), by striking the period and inserting ''; and'' at the end of subparagraph (B), and by adding at the end the following new subparagraph:

''(C) extending provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 or provisions in sections 101 through 104, section 202, or sections 301 and 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003.''.

**SEC. 5. TECHNICAL CORRECTIONS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.**

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In section 250(a), strike ''SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES'' and insert ''Sec. 256. General and special sequestration rules'' in the item relating to section 256.

(2) In subparagraphs (F), (G), (H), (I), (J), and (K) of section 250(c)(4), insert ''subparagraph'' after ''described in'' each place it appears.

(3) In section 250(c)(18), insert ''of'' after ''expenses''.

(4) In section 251(b)(1)(A), strike ''committees'' the first place it appears and insert ''Committees''.

(5) In section 251(b)(1)(C)(i), strike ''fiscal years'' and insert ''fiscal year''.

(6) In section 251(b)(1)(D)(ii), strike ''fiscal years'' and insert ''fiscal year''.

(7) In section 252(b)(2)(B), insert ''the'' before ''budget year''.

(8) In section 252(c)(1)(C)(i), strike ''paragraph (1)'' and insert ''subsection (b)''.

(9) In section 254(c)(3)(A), strike ''subsection'' and insert ''section''.

(10) In section 254(f)(4), strike ''subsection'' and insert ''section'' and strike ''sequesterable'' and insert ''sequestrable''.

(11) In section 255(g)(1)(B), move the fourteenth undesignated clause 2 ems to the right.

(12) In section 255(g)(2), insert ''and'' after the semicolon at the end of the next-to-last undesignated clause.

(13) In section 255(h)—

(A) strike ''and'' after the semicolon in the ninth undesignated clause;

(B) insert ''and'' after the semicolon at the end of the tenth undesignated clause; and

(C) strike the semicolon at the end and insert a period.

(14) In section 256(k)(1), strike ''paragraph (5)'' and insert ''paragraph (6)''.

(15) In section 257(b)(2)(A)(i), strike ''differenes'' and insert ''differences''.

**SEC. 6. CHANGE OF FISCAL YEAR.**

(a) FISCAL YEAR TO BEGIN NOVEMBER 1.—Section 1102 of title 31, United States Code, is amended by striking ''October 1'' and inserting ''November 1'' and by striking ''September 30'' and inserting ''October 31''.

(b) TITLE OF APPROPRIATION ACTS.—Section 105 of title 1, United States Code, is amended by striking ''September 30'' and inserting ''October 31''.

(c) TRANSITION TO NEW FISCAL YEAR.—(1) As soon as practicable, the President shall prepare and submit to the Congress—

(A) after consultation with the Committees on Appropriations of the House of Representatives and the Senate, budget estimates for the United States Government for the period commencing October 1, 2005, and ending October 31, 2005, in such form and detail as he may determine; and

(B) propose legislation he considers appropriate with respect to changes in law necessary to provide authorizations of appropriations for that period.

(2) The Director of the Office of Management and Budget shall provide, by regulation or otherwise, for the orderly transition of all departments, agencies, and instrumentalities of the United States Government and the government of the District of Columbia from the use of the fiscal year in effect on the date of enactment of this Act to the use of the new fiscal year prescribed by section 1102 of title 31, United States Code, (as amended by subsection (a)). The Director shall prepare and submit to the Congress such additional proposed legislation as he considers necessary to accomplish this objective.

(d) EFFECTIVE DATE.—This section and the amendments made by it (except for subsection (c)) apply to fiscal year 2006 and subsequent fiscal years.

**SEC. 7. SUNSETTING OF DISCRETIONARY PROGRAMS AND UNEARNED ENTITLEMENTS.**

(a) FISCAL YEAR 2007.—Effective October 1, 2006, authorizations for all programs (except earned entitlements) shall terminate unless such programs are reauthorized after the date of enactment of this Act and before October 1, 2006.

(b) DEFINITIONS.—For purposes of subsection (a), the term ''earned entitlement'' means an entitlement earned by service or paid for in total or in part by assessments or contributions such as social security, veterans' benefits, retirement programs, and medicare.

**SEC. 8. SPECIAL RULE FOR FISCAL YEAR 2005.**

For purposes of ensuring the full funding of the transportation guarantees in fiscal year 2005, the amounts provided for fiscal year 2005 for discretionary new budget authority and outlays allocated to the House Committee on Appropriations as though under section 302(a) of the Congressional Budget Act of 1974 shall be increased by not less than $2,057,000,000 in budget authority and $634,000,000 in outlays.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Florida (Mr. YOUNG) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I offer this substitute, which includes many similar amendments to those we have already considered and others we will consider, as a total substitute for the bill. However, the primary reason I offer this substitute is because my friends on the Committee on Rules did not give appropriators any time at all under the rule to have a serious debate on our position relative to this bill. So we are taking this approach.

Now, I want to announce to the Members that I agree that the budget process needs to be changed and needs to be improved. And I am not suggesting that my chairman, the gentleman from Iowa (Mr. NUSSLE), has done anything wrong. It is just the fact that the current process is not working, especially at the other end of the Capitol. But what I intended to do in one of the amendments I submitted and the Committee on Rules rejected, was to create a commission, a bicameral, bipartisan group of Members of the House and the Senate, to sit down and study this problem from all perspectives not just that of the Committee on the Budget, or the Committee on Appropriations, or the Committee on Ways and Means, or the authorizing committees—but from all perspectives. Everybody has something good to offer if they are given an opportunity.

But my amendment was not made in order, so we are not going to do that here today. So what I intend to do, Mr. Chairman, is to develop a bill on my own. And I intend to seek and solicit the ideas and information from all of those committees that I have mentioned and then I will propose, what I would consider to be, a very realistic budget reform proposal. That is the way I intend to proceed.

Now, although I am going to withdraw this amendment, I think as appropriators who are affected by this bill more than anyone else in the Congress, that we do have a right to have some additional time to state our views. So I will use this amendment to obtain that time.

Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky (Mr. ROGERS), the chairman of the Subcommittee on Homeland Security.

Mr. ROGERS of Kentucky. Mr. Chairman, I thank the chairman for yielding me this time.

I think we all share the zeal to reform the budget process. It is broken.

But in that zeal, I want us to be sure we do not step on the Constitution. One of the hallmarks of that great Constitution that has sustained us so far is the separation of powers between the executive, the legislative, and the judicial. It is the Congress, by the Constitution, that has the prerogative and, in fact, the duty to allocate the spending for the executive branch.

Nowhere in the Constitution does it allow the executive to tell the Congress how the money should be spent, how much money should be spent. The Congress enacts appropriation bills, spending bills, and the executive executes those bills.

The budget resolution that is before us calls for statutory spending limits. Now, I understand the motivation behind that is to try to get something that will cap spending. We all want that. But the President would have to sign such a budget resolution. That brings the executive branch, OMB, into the process of negotiating a figure, a cap, for those years. To me, that violates the separation of powers.

We would not be able to enact a budget resolution, a statutory cap, independent of the White House because the President must sign the bill; and, therefore, he will exact his impressions on that.

So I would hope that the chairman of my committee will follow through on his promise just now to work on a process of bringing spending under control. In the meantime, let us do not step on the U.S. Constitution by requiring a statutory Presidentially signed spending cap.

The CHAIRMAN pro tempore. Who claims time in opposition to the amendment?

Mr. NUSSLE. Mr. Chairman, I claim time in opposition, and I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I certainly have no objection to the gentleman's withdrawing the amendment.

Mr. NUSSLE. Mr. Chairman, if the gentleman wishes to debate, I would be happy to yield half the time in opposition to the gentleman from South Carolina (Mr. SPRATT).

The CHAIRMAN pro tempore. Without objection, the gentleman from South Carolina (Mr. SPRATT) will control half of the time claimed by the gentleman from Iowa (Mr. NUSSLE).

There was no objection.

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

As I was just informing the House, Mr. Chairman, I have, obviously, no objection to what the gentleman wishes to do. I understand all of his sentiments. This process needs to be fixed.

If the gentleman from Florida (Mr. YOUNG) will remember, we had a conference in 1997 when we did the balanced budget agreement of 1997. Most of the budget principles, when they were affected, the subcommittee chairmen of the Committee on Appropriations came. It would be good if we could get together again, something like that, where you do have interest from all of the House, and we could sit down and I would hope in a nonpartisan way try to come up with a better process than we have right now, because the process we have now is in the ditch.

I would still have problems with the gentleman's amendment because it does not provide for the full double-edged PAYGO. It has now a provision in it that changes the fiscal year to November 1. I do not quite understand why the gentleman would want to do that.

But, nevertheless, it is a moot point now. We appreciate the gentleman's removing it from consideration. There are some ideas in there I do agree with. For example, the gentleman would tell CBO not to assume that expiring tax provisions are not going to be renewed. They are most likely going to be renewed, and that is the way the projection ought to be carried out, I think. And so I agree with a number of those provisions like that in the gentleman's proposal.

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

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume to tell the gentleman that I appreciate his comments. This is a way for me to get time and for Members of my committee to get time, but we are not going to pursue this amendment.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. LEWIS), chairman of the Subcommittee on Defense of the Committee on Appropriations, who successfully passed his bill a couple of days ago with 403 votes, and he reports to me just now that the Senate has now passed it on a vote of 98 to 0.

□ 1915

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman from Florida (Mr. YOUNG) for yielding me this time.

Mr. Chairman, it is interesting for me to note that throughout the history of the country, there was that kind of constant understanding that the President in the arena of spending proposes and the Congress disposes.

The President, the executive makes a decision about spending in a specific area, and over time, the committees that affect that area make a decision as to exactly what our policy should be and what direction we should take by way of finally spending. Eventually that became the President's budget proposing, and then us disposing.

Over the years, it seems the Congress finds itself spending a lot more money than they had. A deficit began to accumulate over time. People were frustrated with one another about who had the right kind of priorities, et cetera. That led to specially a budget committee to help provide advice and counsel to the big committees, the Committee on Appropriations, the Subcommittee on Defense, the Committee on Ways and Means, et cetera.

That was going to solve all of our problems, and indeed, about the time I arrived, it was presumed that maybe that advice and counsel might work. And, yet, the deficit continued to expand.

Not so shortly thereafter, the majority changed, and in the budget process the whole committee made the decision to try to make sense out of an annual budget balance. And, indeed, that led to our putting voluntary limitations within the process using the budget to do that, and pretty well the Committee on Appropriations has stuck to those limits. And it has worked reasonably well, even though at times of war, like currently, we have great difficulty with that. Nonetheless, overall, it worked pretty well.

There seems to be a bit of stumble here in recent years, people not being happy with the way that process has worked for them in terms of priority, maybe not cutting spending as much as some like versus others, but as of this moment, we are at war. As of this moment, this bill includes statutory caps, which not only affects the President's budget, but has the President in a position to renegotiate again, essentially giving the administration a second bite at the apple. That concerns me; and, therefore, the chairman is absolutely correct. We need to go at this one more time. And I appreciate my colleague yielding.

Mr. YOUNG of Florida. Mr. Chairman, I would like to inquire of the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, if he intends to use any time, and if so, maybe we could alternate.

Mr. NUSSLE. Mr. Chairman, I only have one speaker, and that is to close.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WALSH), the chairman of the Subcommittee on VA, HUD and Independent Agencies.

Mr. WALSH. Mr. Chairman, we all know from our study of history that the Founding Fathers provided the executive, legislative and judicial branch with powers, separating powers. Within the Legislature, they gave the House the power of the purse. We all know in our dealings with the Senate that they have certain powers and abilities that we do not have, but we have the purse.

Now, we already tried once to give part of that power to the Executive Branch. We passed a line-item veto, and the Supreme Court saved us from ourselves. I suspect that if any legislation that passed this Congress that allowed us to submit to mandatory or statutory caps on spending, the Supreme Court would do the same thing again. We have got to stop trying to hand off our responsibilities to someone else to save ourselves from ourselves. What we are seeing is Band-Aids laid over an elegant but simple process, statutory budget caps, line-item vetos, automatic continuing resolutions.

My goodness, New York State, my State, passed automatic continuing

resolutions. They have not passed a budget on time in 20 years. They even went so far as to say we will not pay ourselves until we pass a budget, and even that did not work. We have to have some discipline. We have the responsibility and have had it for 150 years to deal with these priorities.

In 1974, when we passed a budget resolution, the Budget Reform Act, the deficits have gone through the roof since that occurred. I would submit, with all due respect to the Committee on the Budget, the simplest and most elegant solution is to eliminate the Committee on the Budget and take the discretionary spending and get control of it by making mandatory spending discretionary. We cannot continue on allowing mandatory spending to go through the roof.

I appreciate the difficulty the job the Committee on the Budget has. I appreciate the effort that they have made, but we cannot continue to overlay Band-Aids on a system that does not work.

So I would urge to reject the underlying bill and support the chairman's amendment if he retains it.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. HOBSON), the distinguished chairman of the Subcommittee on Energy and Water Development, whose bill will be on the floor tomorrow.

(Mr. HOBSON asked and was given permission to revise and extend his remarks.)

Mr. HOBSON. Mr. Chairman, I have been a member of the Committee on the Budget when we balanced the budget. I was the Speaker's delegate to the budget, so I know the difficult problems that can go on in the Committee on the Budget, but I think this so-called budget reform does harm to our process. We have a process that we need to follow and maintain. We cannot abrogate our responsibilities to make those hard choices here on the floor by giving the President, or whoever the administration is, three bites at the apple.

Recently I have had experience with this. We passed a bill in the House that solved the problem for two Members that had been going on for 14 years. The bill was signed by the President of the United States. OMB decided they were not going to follow it. They just were not going to do it. So we have had to go back and do it again. I do not think we should give up our process to people like that when we are dealing with this.

There are reforms to discretionary spending enforcements that should be considered in the broader reforms, such as meaningful controls on the growth of mandatory programs and putting the Congressional authorization process back on track. I would urge the defeat of the underlying bill.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. REGULA), chairman of the Subcommittee on Labor, Health and Human Services, Education and Related Agencies.

(Mr. REGULA asked and was given permission to revise and extend his remarks.)

Mr. REGULA. Mr. Chairman, the gentleman from Florida and I were probably the only two Members who were here when the Budget Committee was created and the budget process that we are talking about today. We had at that time great hopes that this would accomplish the goals of achieving fiscal responsibility. I think it is time that we take a look at this process to see if there are changes that can be made. I, for one, think that we might take a look at a 2-year budget as a possibility so that we can bring more certainty to the process. Because what we are doing is setting the parameters for those who execute the decisions that we make in terms of policy. But keep in mind, we always say this is the people's House. This is not the Office of Management and Budget's House. That is what we are talking about here, whether we would give OMB the ability to establish the priorities for the people. That is our job. That is why we get elected.

That is why Daniel Webster, if you read the statement above the Speaker's chair said, ''Let us develop the resources of our land, call forth its powers, built up its institutions, promote all its great interests and see whether we also in our day and generation may not perform things worthy to be remembered.'' Daniel Webster was a Member of the House. He was speaking in terms of the people's House. I think we have a responsibility to make these priority decisions. The subcommittee I chair is second only to defense in terms of funding levels and it is the one that touches the lives of 280 million Americans, providing funding for education, health research, and labor. We have dozens of hearings to give the people a chance to tell us what their priorities are and what is important in their lives. That is why it is essential that we have the responsibility for establishing through the budget process the broad parameters of spending, but more precisely the specific appropriations that reflect the priorities of the people should remain in the people's House.

If we truly want to make this the people's House and keep it that way, I think we should retain control of setting those priorities.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. FRELINGHUYSEN), chairman of the Subcommittee on the District of Columbia.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding me this time.

Mr. Chairman, I also rise in support of the Young amendment, but recognize, like others before me, that the underlying bill violates the separation of powers devised by the Framers of the Constitution, and our system of shared power that we know from our history books as checks and balances, and that even the Young amendment cannot salvage the Budget Enforcement Act from its fatal flaws.

Mr. Chairman, we are a Nation at war fighting a global war on terror. We are a country with a growing, yet evolving economy and changing national priorities. This Congress, this Appropriations Committee, this Budget Committee, needs the flexibility to address priorities on an annual basis. We need the ability to deal with the challenges and opportunities as they arise on a State-by-State, district-by-district, month-by-month, year-to-year basis. This Budget Enforcement Act makes it almost impossible to do it.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Kansas (Mr. TIAHRT), a very important member of the Committee on Appropriations.

Mr. TIAHRT. I thank the gentleman from Florida for yielding me this time.

Mr. Chairman, the problem that we are facing tonight is the control of spending, how do we control spending and reduce the Federal deficit. The easy target is the appropriations process because that is where we spend most of our time. We develop 13 bills for discretionary spending and we focus on all 13. But the real culprit is mandatory spending and off-budget items.

If we look at Medicare which is mandatory spending, for example, it grew 14 percent last year, much faster than the rate of inflation. Yet we do not have nearly the time focused on Medicare that we do on these 13 appropriations bills. We also have the highway bill coming up, TEA–LU, which is moving towards $318 billion over the next 6 years. That is going to exceed what the trust fund provides. Where will that excess money come from? It will come out of the appropriations process for discretionary spending and once again, this burden will be there and the blame once again will be placed on the appropriations process.

If we are going to control spending, we are going to have to learn how to focus on mandatory spending as well as off-budget items, because the appropriations process has all 13 appropriation bills submitted within budget. It is mandatory where the real problem is, and we are failing to deal with it.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me say that this appropriations committee is made up of very good Members of both parties. They work hard. They are here whether the House is in session or whether the House is not in session. This committee passes 13 appropriations bills every year, and two to three supplementals. Then we go to conference with the other body, and despite the suggestion that the appropriations process is broken, since I have had the privilege of chairing this committee, we have gotten all of those

bills done eventually, some sooner and some later. And we have to work with real numbers. We cannot assume numbers. We cannot pick a number out of the air. We have to work with real numbers and with real laws.

The chairman of the Committee on the Budget should understand the problems we have in moving 15 bills through conference because he has one budget resolution to move and he has trouble getting that done, not by any fault of his, but the fault of the other body.

I know I am not supposed to say that, but nevertheless it is the fact. That information is not classified.

The Appropriations Committee is a very good committee. It works hard and it produces good legislation. I would say that just in the last fiscal year, your Appropriations Committee defeated amendments that would have increased spending by $18 billion. Most of those amendments sounded really good. They would have been nice to vote for. But we did not have the money. We were committed to staying within the budget and we did. I would also say that it is the mandatory spending programs that we have no control over. We do not deal with them and it is mandatory spending that is causing this deficit to rise higher and higher and higher.

I would suggest that just one example: we had a colloquy today between the chairman of the Committee on Transportation and Infrastructure and the chairman of the Committee on the Budget on firewalls for the transportation bill, TEA–LU. I support that bill. We need to improve our infrastructure and our bridges and our highways in our communities. The problem, and what they never really admit and concede, is that there are guarantees in that bill. If the trust funds do not make up the guarantees, the appropriations committee has to swallow the guarantees. That means we have to take it away from education or health benefits or something else. The 302(a)s should be adjusted if we are saddled with a mandatory spending of this kind.

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

□ 1930

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

First of all, let me say this has been a fascinating thing to listen to. Let me start by saying ''methinks thou doth protest'' just a little bit too much.

It is fascinating to me that in the middle of the appropriations process, all of these very good friends of mine, who are every one from the Committee on Appropriations chairman himself to the, what are often time around here called cardinals, subcommittee Chairs, who have the job of managing these appropriation bills, seem to find the time to come to the floor for this somewhat innocuous debate today. It is kind of interesting they spent their entire afternoon on the floor concerned about this process.

And I would suggest that it is not because the Committee on the Budget is where everyone is pointing the fingers. The Committee on the Budget did not cause the deficits that we are faced with here today any more than the Committee on Appropriations did, any more than the Committee on Ways and Means did, any more than the Republicans or the Democrats or the President or the Congress did. We spend so much time blaming other people and pointing fingers around here that we forget sometimes to look in the mirror as to how this all happened. And everyone is going to have their own version. I am not going to bore everyone with mine. But if they do not remember a couple of things that are important over the last few years, they are really missing the point.

We created a budget in 2001, and we had a surplus on September 10 of 2001. And then we all know what happened the next day. And thank goodness we had a budget, and thank goodness we had the flexibility in the budget to go into a room and say guess what, guys, the jig is up. We had to create a new Department of Homeland Security. I was in the room when the bidding began on how much money to send to New York. Do my colleagues know what the opening bid was? I will never forget it. I will never forget the way the meeting went. It started by someone mentioning that we might have to send $6 billion up to New York. Does the gentleman from Florida (Chairman YOUNG) remember that? And by the end of a half hour meeting, the number was $40 billion. We went from 6 to 40 in one half hour.

Was it the right thing to do? Yes. Did the budget allow it to happen? Yes. Did the Committee on Appropriations cause it to happen? Yes. Did the American people support it? Yes. Did it add to the deficit? Yes. And thank goodness we have got the full faith and credit and the great economy that can bounce back from something like that so that we can do it.

So do not come here today, please, I beg of my colleagues, and blame the Committee on Appropriations for the deficit, or as I heard a gentleman actually suggest not too long ago that maybe it was because of the Budget Committee that we had a deficit. I mean, my goodness, let us be real about this.

The next thing I would like to say is that there was a gentleman who mentioned a moment ago about a perceived spending problem. Okay. If that is how he would like to refer to it as a perceived spending problem, that is fine. But would he please go home and talk to his constituents, because if they are like the constituents I represent in Iowa, there is no perception about it. They are telling me there is a spending problem in Washington that we have got to get a handle on. And, yes, Mr. Chairman, it is on the appropriations side, and 60 percent of it is also on the mandatory side. And I have said that until I am blue in the face. Unfortunately, a lot of the people who spoke have now left, and they never get the benefit of hearing me say that I do not blame the Committee on Appropriations for everything.

Last but not least, let me just mention the offer that the very distinguished gentleman from Florida, who is an excellent friend of mine, and I am honored to have the opportunity to even stand next to him on the floor and debate, the gentleman from Florida does an amazing job under extremely difficult circumstances, and he is right; I only have it to do this once. I have only got to pass one budget. He has to do it 13 times. Yes, that is heavy lifting. No question about that, and I respect that.

But having said that, to suggest we can come together and come to an agreement on a new process and leave out the Committee on Appropriations and to suggest this does not have at least one small part to do with how the Committee on Appropriations operates or how Committee on Appropriations' bills come to the floor, that is where we break down. It is when the Committee on Ways and Means says, You can do that, but just do not include me; or the Committee on Transportation and Infrastructure says, as the gentleman said, Do for everything but what we firewall off; or the Committee on Appropriations says, Blame it on the Budget Committee, our appropriations process should not be part of this discussion.

If we are going to have this discussion, we all have to have the discussion, and we have got to put all our rules on the table. We cannot say, just say separation of powers say that we have the right to do this. And let me end with that.

There was a gentleman who came to the floor who said that this Committee on the Budget and the budget process was created to provide advice. No, it was not. It was created because back in the 1960s, there was absolutely no coordination during the 5 months Congress was in session. That is it. During the 5 months Congress was in session, the Committee on Appropriations and the Committee on Ways and Means, who managed revenues and appropriations, never talked to each other. And at the end of the year, maybe miraculously in a good year, there might be a surplus, but most of the time there were deficits. There was never a coordination.

And so the main reason why this was established was to reconcile those two processes, and that is why we have something now called the reconciliation process. And I overheard the gentleman and he is right. When was the last time we did that? We do not do it anymore. And that is why the process is broken. Because Members have been taken out of the process. The political part of this, small ''p,'' has been taken

out, and we are trusting that a process can get us to a result. And at the end of the day, I have got to tell the Members we can monkey with this process all day long until we are blue in the face. It still comes back to how I opened the debate. It is still about how we as individual Members want to operate in here.

If the gentleman from South Carolina (Mr. SPRATT) and I want to argue for the next 10 years and have differences of opinion, we will never come together. If for some miraculous reason we could sit down one day and come up with a joint list of priorities, it would work. That is what it comes down to, Members working together. The process cannot supplant that. It still has to be Members making political, small ''p,'' decisions about how to represent their districts in this Congress.

So I respect everything that my friends from the Committee on Appropriations have said, but I would just remind them that ''methinks thou doth protest'' just a little bit too much. This is not about them. This is about us.

The CHAIRMAN pro tempore (Mr. BASS). The time of the gentleman from Iowa (Mr. NUSSLE) has expired.

Mr. SPRATT. Mr. Chairman, I yield the balance of my time to the gentleman from Florida (Mr. YOUNG) and ask unanimous consent that he be allowed to control that time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Florida (Mr. YOUNG) has 6 minutes remaining.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding me this time. We were rather rushed in trying to get some of our speakers to the floor.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Georgia (Mr. KINGSTON), chairman of the Legislative Subcommittee of the Committee on Appropriations.

Mr. KINGSTON. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in opposition to the Nussle budget reform proposal, but I do so with great respect for the Committee on the Budget and his leadership on that, and I want to say that this is the proper discussion and a discussion which we should be having.

As a member of the Committee on Appropriations, I see it a little bit differently. I think that we are both going towards the same goal, the Committee on the Budget and the Committee on Appropriations; yet we are taking a different course. What our concern is about is the so-called statutory caps in the Nussle proposal give the executive branch, the President, three different bites of the apple: one when he submits the budget, the next using his veto pen, and then another one forcing his will on Congress. He will very much be at the table. And as our Founding Fathers established the separation of powers, I believe that there should be a little more than a philosophical firewall between the executive and the legislative branches. That is our view on it.

I believe, as an alternative, what the Committee on Appropriations would like to see is a little more cross-pollination between the Committee on the Budget and the Committee on Appropriations and perhaps the Committee on Ways and Means.

I come from the State legislature. I was a member of the Ways and Means Committee of the Georgia legislature for 8 years, and it seemed ridiculous to me when I got here that we split up our budget process into three dynamic committees all with a point of view and yet none of them with the franchise and the final responsibility of getting the job done at the end of the day.

I would like to see us work not just more closely with the Committee on the Budget but actually have some voting influence on each other, and I think there are some things that we can discuss in that vein.

I am also a supporter of a bill by the gentleman from Kansas (Mr. TIAHRT) that would set up a BRAC-type Base Realignment and Closure Commission for spending that would sort of pick up some pieces of some of the Grace Commission thoughts, but something of that nature where we could take a step outside the process and say, okay, how do we get this together?

Another alternative is the Istook Balanced Budget Amendment, which I have supported. We need to get that on the floor. We need to get the other body to pass it and the President to put it into law.

We also need to have good old-fashioned fiscal discipline. As the chairman of the Legislative Subcommittee, I am proud I have worked with the gentleman from Virginia (Mr. MORAN). We brought in a level funding bill this year; and in addition to that, we had a lot of other reforms, some outsourcing, some privatization, some reduction of committee spending and agency spending, some cuts, real cuts. Not just reductions in the projected increase, but less money than last year. We did that after a lot of debate back and forth. We want the other body to hold the spending on this. I believe that we as a legislative body could have even more cuts. We offered other amendments for cuts, and they were not approved by the committee. But perhaps on the floor we can get those done.

We are in the same church. We are only in a different pew when it comes to controlling spending.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. CULBERSON), who is one of the newer, but one of the dynamic, members of the Committee on Appropriations.

Mr. CULBERSON. Mr. Chairman, I want to focus in this 2 minutes on the merits of the gentleman from Florida's (Chairman YOUNG) proposal which he is withdrawing tonight so that he can work with the members of the Committee on the Budget, Members of this House, and listen to all of the best advice that he can gather to come up with some substantive and meaningful reform of our appropriations process and the budget process.

We all recognize the Committee on Appropriations only controls about 20 percent of Federal spending. The gentleman from Florida's (Chairman YOUNG) proposal, which really merits our support, has laid out a system to shut down or sequester mandatory spending in the event the Office of Management and Budget baseline estimates are exceeded because Congress has passed more mandatory spending programs. And that is where the bulk of the problem lies, because Congress continues to pass programs that require us to spend more money.

The gentleman from Florida's (Chairman YOUNG) bill would also establish baseline estimates that do not include emergency spending. Obviously, in time of war emergency, we need to move bills through. We are going to spend money that we did not contemplate. The chairman's bill would also set out a change of start date of the fiscal year to November 1.

But the part that I am particularly pleased about and excited to see, the chairman has proposed sunsetting of all Federal programs, except earned entitlements, effective October 1 of 2006 unless reauthorized. And I know the chairman, coming out of the State legislature in Florida, is interested in listening to and hearing advice from our State legislators. The American Legislative Exchange Council is meeting in Seattle this summer, a very good organization made up of State legislators whom we need to listen to and talk to about how we can help them balance their State budgets and how they can help us with their best ideas on balancing the Federal budget.

I believe the gentleman from Florida's (Chairman YOUNG) amendment, which he will turn into a bill, merits our support. I look forward to working with him, as I know he will work with the Committee on the Budget and all Members of this Congress to bring together the best ideas so we can truly bring spending under control.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

□ 1945

Mr. Chairman, again I want to thank the gentleman from South Carolina (Mr. SPRATT) for giving me the advantage of the additional time he had allocated to him. We have tried to use it in a constructive way.

I also want to thank the gentleman from Iowa (Chairman NUSSLE) for the good debate and for the understanding, that he has exhibited, of our concerns. He said this is not about the appropriators or the Committee on the Budget.

He said it is about us, and he is right. It is about the entire Congress, and that is what we are concerned about today: the prerogatives, the privileges and the constitutional responsibilities of the Congress of the United States.

So I want everybody to know that the gentleman from Iowa (Chairman NUSSLE) and I are still very good friends. We were before this started; we will be after the final vote. We just tend to have some honest differences; and that is what this place is all about—to air the differences. If we did not do that, then I would like to be in charge and we would do everything my way.

But that is not the way it happens. That is why we have this great debating society in the United States House of Representatives.

I would say to the gentleman from Iowa (Chairman NUSSLE), while he was walking down the aisle, that I complimented him for the conduct of this debate, which I appreciate very much.

Mr. Chairman, under the previously agreed to unanimous consent request, I withdraw this amendment.

The CHAIRMAN pro tempore (Mr. BASS). The amendment is withdrawn.

It is now in order to consider amendment No. 6, printed in House Report 108–566.

AMENDMENT NO. 6 OFFERED BY MR. KIRK

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

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. KIRK:

At the end, add the following new section:

**SEC. . ANNUAL CBO REPORTS ON ENTITLEMENT SPENDING.**

Section 202(e) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

''(4) On or before February 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate, a report for the fiscal year ending on September 30 of the preceding year, with respect to entitlement spending, including (A) a comparison of actual spending for entitlements, on an account by account basis, with projected spending for such entitlements assumed in the concurrent resolution of the budget for that fiscal year and (B) an identification of those entitlements for which the actual spending exceeded the projected spending.''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Illinois (Mr. KIRK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. KIRK).

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

Mr. Chairman, we have all heard of forecasting to estimate future spending by our government. Our experience with forecasting the cost of entitlement spending shows wild inaccuracies.

A classic example comes from forecasts we used on the spending under a new entitlement program to care for patients suffering from kidney failure. Under estimates before our Congress, Representatives were told 90,000 patients would enroll for taxpayer-funded dialysis by 1995. 90,000 patients enrolled in this new Federal entitlement program by 1985, 10 years earlier than expected. By 1995, there were 239,000 patients in the program, not the 90,000 estimated. Today, in fact, there are 400,000 patients in this program, so spending is wildly above that which was estimated when the program was voted on before this House.

My point with the amendment before us is simple: we need better forecasts before we change or improve entitlement spending programs. We would do that if we started a process which every budget analyst fears, and that is called backcasting. Backcasting by the Congressional Budget Office would require analysts to look at the actual spending over the previous year, with an eye to reviewing the actual errors they made in the estimates used the previous year.

Backcasting would give our budget analysts a grade. It would show the Congress clearly where actual spending of a program differed from the assumptions used in the previous forecast.

Backcasting is now a standard procedure used in nearly every investment house on Wall Street, and every American family with an IRA reviews the estimates of promised performance by their mutual funds and then compares it to what actually happened with their retirement nest egg.

I think it is about time we use this time-tested procedure to improve estimates used to prepare our budget using a rigorous analysis, comparing our previous estimates and the errors made compared to our actual budget experience.

This amendment comes just in time for the budget history of the United States. Right now, over 60 percent of our budget is spent through entitlement spending. Soon 70 percent of the budget will be spent in entitlement spending. This means that the estimates we use to set benefits and beneficiaries are not just important; they are crucial to the long-term financial strength of the United States.

We make vital promises to America's seniors. We must use advanced forecasting and backcasting to make sure that the promises we make to America's seniors are promises that taxpayers can afford to keep.

I appreciate the support of the gentleman from Iowa (Chairman NUSSLE) on this amendment and the lack of opposition from our senior, very distinguished ranking Democratic member on this.

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

The CHAIRMAN pro tempore. Who seeks time in opposition?

Mr. SPRATT. Mr. Chairman, I claim the time in opposition. I should claim it before the gentleman completely commits me to the support of his amendment.

The CHAIRMAN pro tempore. The gentleman from South Carolina (Mr. SPRATT) is recognized for 5 minutes.

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

Mr. Chairman, I have no great objection to it, it is true, simply because I think CBO already does this. You get every year the economic forecast and budget outlook. You get one in January. You get the President's budget again. There will be one coming up in August. The levels of entitlement spending are there. It may not be in quite the format you anticipate here, but if you want to go back to the previous year's volume and lay out what spending was that year, you can find projected levels in the baseline. It can be done.

Mr. Chairman, I will not object to this. I will accept it. But I honestly think it is redundant to what CBO is already doing and already providing.

Mr. KIRK. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. NUSSLE), my distinguished chairman.

Mr. NUSSLE. Mr. Chairman, my only purpose for asking for the time, like the gentleman from South Carolina (Mr. SPRATT), I have no objection to this at all. It sounds not only like a good idea, but something I think we do already, but maybe not in the detail the gentleman from Illinois is looking for.

What I would certainly offer to do with the gentleman is to approach CBO in a bipartisan way and see if we cannot work out some way to achieve what the gentleman is asking for, possibly even without the necessity of having an amendment to the budget to do that. But the gentleman can proceed how he would like. If the gentleman wants more detail so that we can have more information about the accuracy, I am all for that. That may be something that the gentleman from South Carolina and I can do.

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

Mr. NUSSLE. I yield to the gentleman from South Carolina.

Mr. SPRATT. Mr. Chairman, that is an excellent idea. The three of us can sit down with CBO and our staff and come up with the information the gentleman wants, and we will not be bound by statutory language, but by a good-faith commitment to get it done.

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

Mr. Chairman, I would urge adoption of the amendment. You can imagine CBO analysts do not exactly want to be forced to go back and compare exactly how actual performance deviated from the estimate that they provided.

Mr. NUSSLE. Mr. Chairman, if the gentleman would yield further, since it is possible this bill may not become law, if that is possible, and I have heard that, why do we not work on this anyway as a project. I think it would be important to get that information.

Mr. KIRK. Mr. Chairman, reclaiming my time, absolutely. You can imagine

CBO analysts are somewhat reticent for us to formally go back and see how their estimates varied.

I urge adoption of the amendment.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois (Mr. KIRK) has expired.

Mr. SPRATT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. KIRK).

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

Mr. KIRK. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois (Mr. KIRK) will be postponed.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 7 printed in House Report 108–566.

AMENDMENT NO. 7 OFFERED BY MR. RYAN OF WISCONSIN

Mr. RYAN of Wisconsin. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. RYAN of Wisconsin:

At the end, add the following new sections:

**SEC. . JOINT BUDGET RESOLUTIONS.**

(a) DEFINITIONS.—Paragraph (4) of section 3 of the Congressional Budget Act of 1974 is amended to read as follows:

''(4) the term 'joint resolution on the budget' means—

''(A) a joint resolution setting forth the congressional budget for the United States Government for a fiscal year as provided in section 301; and

''(B) any other joint resolution revising the congressional budget for the United States Government for a fiscal year as described in section 304.''.

(b) JOINT RESOLUTION ON THE BUDGET.—(1) Section 301(a) of the Congressional Budget Act of 1974 is amended by striking ''concurrent resolution'' each place it appears including in the caption and inserting ''joint resolution''.

(2) Section 301(b) of such Act is amended by striking ''concurrent resolution'' each place it appears including in the caption and inserting ''joint resolution''.

(3) Section 301(c) of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(4) Section 301(e) of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(5) Section 301(f) of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(6) Section 301(g) of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(7) Section 301(h) of such Act is amended by striking ''concurrent resolution'' and inserting ''joint resolution''.

(8) Section 301(i) of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(9) The section heading of section 301 of such Act is amended by striking ''**ANNUAL ADOPTION OF CONCURRENT**'' and inserting ''**ANNUAL ADOPTION OF JOINT**''.

(10) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''Annual adoption of the concurrent'' in the item relating to section 301 and inserting ''Annual adoption of the joint''.

(11) Section 302 of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(12) Section 303 of such Act, including the heading, is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(13) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''Concurrent'' in the item relating to section 303 and inserting ''Joint''.

(14) Section 304 of such Act is amended by striking ''concurrent resolution'', including in the heading, each place it appears and inserting ''joint resolution''.

(15) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''Concurrent'' in the item relating to section 304 and inserting ''Joint''.

(16) Section 305 of such Act is amended by striking ''concurrent resolution'', including in the heading, each place it appears and inserting ''joint resolution''.

(17) Section 308 of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(18) Section 310 of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

(19) Section 311 of such Act is amended by striking ''concurrent resolution'' each place it appears and inserting ''joint resolution''.

**SEC. . BUDGET REQUIRED BEFORE SPENDING BILLS MAY BE CONSIDERED; FALL-BACK PROCEDURES IF PRESIDENT VETOES JOINT BUDGET RESOLUTION.**

(a) AMENDMENTS TO SECTION 302.—Section 302(a) of the Congressional Budget Act of 1974 is amended by striking paragraph (5).

(b) AMENDMENTS TO SECTION 303 AND CONFORMING AMENDMENTS.—(1) Section 303 of the Congressional Budget Act of 1974 is amended—

(A) in subsection (b), by striking paragraph (2), by inserting ''or'' at the end of paragraph (1), and by redesignating paragraph (3) as paragraph (2); and

(B) by striking its section heading and inserting the following new section heading: ''CONSIDERATION OF BUDGET-RELATED LEGISLATION BEFORE BUDGET BECOMES LAW''.

(2) Section 302(g)(1) of the Congressional Budget Act of 1974 is amended by striking ''and, after April 15, section 303(a)''.

(3)(A) Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''303(a),'' before ''305(b)(2),''.

(B) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''303(a),'' before ''305(b)(2),''.

(C) Subsection (e) of section 904 of the Congressional Budget Act of 1974 is repealed.

(c) EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET.—(1) Title III of the Congressional Budget Act of 1974 is amended by adding after section 315 the following new section:

''EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET

''SEC. 316. (a) SPECIAL RULE.—If the President vetoes a joint resolution on the budget for a fiscal year, the majority leader of the House of Representatives or Senate (or his designee) may introduce a concurrent resolution on the budget or joint resolution on the budget for such fiscal year. If the Committee on the Budget of either House fails to report such concurrent or joint resolution referred to it within five calendar days (excluding Saturdays, Sundays, or legal holidays except when that House of Congress is in session) after the date of such referral, the committee shall be automatically discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar.

''(b) PROCEDURE IN THE HOUSE OF REPRESENTATIVES AND THE SENATE.—

''(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the House of Representatives and in the Senate of joint resolutions on the budget and conference reports thereon shall also apply to the consideration of concurrent resolutions on the budget introduced under subsection (a) and conference reports thereon.

''(2) Debate in the Senate on any concurrent resolution on the budget or joint resolution on the budget introduced under subsection (a), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours and in the House such debate shall be limited to not more than 3 hours.

''(c) CONTENTS OF CONCURRENT RESOLUTIONS.—Any concurrent resolution on the budget introduced under subsection (a) shall be in compliance with section 301.

''(d) EFFECT OF CONCURRENT RESOLUTION ON THE BUDGET.—Notwithstanding any other provision of this title, whenever a concurrent resolution on the budget described in subsection (a) is agreed to, then the aggregates, allocations, and reconciliation directives (if any) contained in the report accompanying such concurrent resolution or in such concurrent resolution shall be considered to be the aggregates, allocations, and reconciliation directives for all purposes of sections 302, 303, and 311 for the applicable fiscal years and such concurrent resolution shall be deemed to be a joint resolution for all purposes of this title and the Rules of the House of Representatives and any reference to the date of enactment of a joint resolution on the budget shall be deemed to be a reference to the date agreed to when applied to such concurrent resolution.''.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

''Sec. 316. Expedited procedures upon veto of joint resolution on the budget.''.

(e) LIMITATION ON CONTENTS OF BUDGET RESOLUTIONS.—Section 305 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(e) LIMITATION ON CONTENTS.—(1) It shall not be in order in the House of Representatives or in the Senate to consider any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter referred to in paragraph (2).

''(2) Any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter not permitted in section 301(a) or (b) shall not be treated in the House of Representatives or the Senate as a budget resolution under subsection (a) or (b) or as a conference report on a budget resolution under subsection (c) of this section.''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Wisconsin (Mr. RYAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, let me just briefly explain what this amendment does. What this does is this elevates the budget resolution to a level of a law.

Specifically, this would change the current nonbinding concurrent budget resolution into a joint resolution, which would give the force of law when signed by the President. This would encourage the President to get involved early in the process, instead of having this typical annual brinksmanship that we have in the budget process at the end of the year, so that we can settle on the numbers between the other body, this body, and the White House and move on to good legislation.

A joint resolution would be binding and have the force of law so that both the Congress and the White House would work these issues out in the beginning of the annual year.

The simplicity of this budget resolution makes agreements easier to reach because negotiations will be forced early on in the process.

I would like to go through how this would work. I have a chart that makes it easier for me to explain this.

First, like we have anytime, the President submits his budget. Then Congress would pass a joint budget resolution. Then the question is whether the President would sign it or not. If with those negotiations the President then signs that joint budget resolution, then Congress passes its appropriations, its reconciliation, its tax and entitlement bills and its conference reports, and the President signs those bills into law. Very easy, very clear process.

If, for example, the President does not sign that joint budget resolution, there is a fallback provision similar to what we have today, where it would go back to Congress and Congress would adopt a concurrent resolution, much like we have right now.

For example, this year, where we actually do not have a concurrent resolution in place because we could not get one through the other body, we would end up deeming it.

The point is this, Mr. Chairman: we have to front-load this system so we can get these agreements reached at the beginning of the year so we can move forward on the same page. Most importantly, we need to make this budget have the force of law so that it can be enforced. That is the problem. Our budget resolutions ends up becoming mere guidelines and do not actually have the force of law. Therefore, they are not enforceable. We always break our budgets.

If we make this have the force of law, it becomes enforceable. Therefore, we can actually stick to the budgets we have.

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

The CHAIRMAN pro tempore. Who seeks time in opposition?

Mr. SPRATT. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN pro tempore. The gentleman from South Carolina (Mr. SPRATT) is recognized for 5 minutes.

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

Mr. Chairman, we have heard some eloquent statements from members of the Committee on Appropriations, largely Republican members of the Committee on Appropriations, to the effect that the President already has, as they put it, three bites at the apple. This gives the President a fourth bite, and, believe me, a big bite.

This clearly is a shift of leverage from the House and the Senate, the Congress, to the Presidency. The President would emerge from this kind of deal with much, much greater authority in dictating what the budget is going to be. You have heard it more eloquently from members of the Committee on Appropriations, what the results would be in determining priorities. This definitely would be a big shift.

Now, would it make the budget process any stronger, any more effective? My concern is, contrary to the belief that it might streamline the process by elevating the status of the budget resolution, I think it would probably prolong the process, protract the process. As a result, we would find ourselves with less time to do appropriation bills because it would take a much longer time to get the budget resolution done, because not only would we have to agree among ourselves, from party to party, we would have to agree with the White House.

There is some advantage to that, trying to bring us together; but I think there is a lot of disadvantage, and there is a lot of room for chicanery. There is a lot of room for manipulating the process if we do it, and it could result in a protracted budget process, such that every year we will be, as we are now, in the heart of the summer, trying to pass appropriation bills before the fiscal year ends.

This has been around the track a number of times. It has a certain appeal to it, until you begin considering all the ramifications and the transfer of power that it would effect, a very subtle transfer, but a real one.

I would suggest this is an idea that we should not adopt.

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

Mr. RYAN of Wisconsin. Mr. Chairman, before yielding to my cosponsor of this amendment, I yield myself 10 seconds.

Number one, the President already has the power to sign these bills into law. He signs appropriation bills, he signs tax bills, he signs entitlement bills. So this does not give him new power he does not already have.

Number two, the gentleman from South Carolina, who is a leader in this area, has been a leader in this area for a long time, sponsored a bill in 1991 that did just this. So I think this is a good idea.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds to respond to that.

Mr. Chairman, I do not know what bill the gentleman is referring to, but the gentleman from Iowa (Mr. NUSSLE) proposed this idea some time ago. I never did support this idea. I never have.

Mr. RYAN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Chairman, it is my understanding the gentleman supported this in the past. Either way, good people can disagree on these things.

Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, one of my favorite Rodney Dangerfield routines is when he comes home one night and his wife is packing, and he asked her, ''Are you leaving?'' She said, ''Yes.'' He looked at her and said, ''Is there another man?'' She said, ''There must be.''

When you look at the system we have today, and I have listened to the debate so far, people are in a sense saying the system is broken, but we cannot fix it.

The system is broken, and if you look at the way the system works, it guarantees that we will overspend.

Now, earlier today I went through the numbers, and I have done this several times, what we passed in our budget resolution and what we ended up spending. And a lot of people are walking around saying, gee, I do not know how that happened. Well, here is how it happens. Here is the dirty little secret.

□ 2000

What happens is, we over here in the House might low-ball certain things and high-ball other things, and the folks over in the Senate will low-ball certain things and high-ball other things, and what we wind up doing with a lot of these things, and we all know this happens, is we go to conference at one level and the Senate is at another level and we end up compromising at another level beyond the other 2, and the reason is we are all working off different blueprints. We have what the President proposes and what he ultimately will agree to, and then what the House proposes and what the Senate proposes.

What we are saying with this amendment is, and I think it is pretty simple: let us get all of the players on the same page early in the process.

Some people say, well, that will take away the constitutional powers of the House. If you stop and think about it, I say to my colleagues, that is ludicrous. The House will still maintain the power of the purse, and the President will still have that one arrow in his quiver called the veto. But we are going to try to bring everybody to the table early so that we are all using the same blueprint, so that at the end of the day, we build a house we can all be proud of.

Is there a better way? There must be.

Now, maybe this is not perfect, but I think this would be a giant step in the

right direction. Let me remind my colleagues, I think most of our constituents think that that is the way the system is today. When we explain to them that the budget resolution does not have the power of law, they look at us with a blank look.

We ought to pass this amendment 300 to nothing.

Let me begin with an analogy that might explain the purpose of this amendment—If you're constructing a building and the steel workers, architects and masons are all working with a different blueprint, you're bound to build one ugly building. But, that's exactly what's happening with the budget process. The House, Senate and Administration are all using a different blueprint, and the result is a pretty ugly budget.

The Joint Budget Resolution is very basic but does one extremely important thing—forces both Congress and President to stay within the budget resolution levels. The budget would be signed by the President into law.

Another vital aspect of this amendment is that Congress and the Administration would be engaged and working on the same priorities from day one. This amendment would go a long way to eliminating the practice of waiving budget points of order and large omnibus spending bills. A law cannot be waived or broken.

When Congress allowed our spending caps and PAYGO expire, spending rose. Numbers are stubborn things and let me provide some history . . .

Discretionary Spending in FY 2002 Budget Resolution was $661.3 billion. Congress spent $734.6 billion. Discretionary Spending in FY 2003 Budget Resolution was $759 billion. Congress spent $849.1 billion. Discretionary Spending FY 2004 Budget Resolution was $784.5 billion. Congress spent $873.1 billion. The Joint Budget Resolution is not a radical idea—it's common sense. That is why grassroots organizations like Americans for Tax Reform, American Conservative Union, Citizens Against Government Waste, Citizens for a Sound Economy and the National Taxpayers Union have endorsed this amendment.

We need a budget that will be enforced and that is why I have offered this amendment to restore fiscal sanity back to the federal budget process. We need to protect the taxpayers from Congress' bad spending habits. If you believe that we need to control spending and put common sense back into the budget process—I urge your support on the Ryan/Gutknecht Amendment.

From 1995—2000, overall spending has increased by an average of 3.2% (House Budget Committee).

Since 2001, overall spending has increased by an average of 6.4% (House Budget Committee).

Since 2001, discretionary spending has increased on average of 9.7% (House Budget Committee).

Sine 9–11 the weak economy has been the #1 factor contributing to our deficits. As our economy recovered, spending increased substantially, becoming the #2 factor contributing to our deficits (Joint Economic Committee).

Post 9–11, spending grew by 11% (2001–2003), which represents the largest two-year increase in nearly a decade. This does not include defense and 9–11 costs (Heritage Foundation).

Mandatory spending now represents 55% of the entire federal budget—this does not include the recently enacted medicare bill (House Budget Committee).

The federal budget now totals more than $20,000 per household—the first time since WWII (Heritage Foundation).

"The progress in the 1990s in reducing budget deficits might have been elusive were it not for the budget rules that worked far better than many skeptics, myself included, had expected." (Alan Greenspan, House Budget Committee, September 2002).

"Now is not the time to abandon the discipline and structure that worked so well for so long. The framework enacted in the Budget Enforcement Act of 1990 . . . must be preserved." (Alan Greenspan, House Budget Committee, September 2002).

"I would like to see the restoration of PAYGO and discretionary caps which essentially will restrain the expansion of the deficit and indeed, ultimately contain it. It did that back in the early '90s and I thought it was quite and surprisingly successful in restraining what had been a budget which had gotten out of kilter." (Alan Greenspan, House Budget Committee, July 2003).

"I do believe that tax cuts, if properly constructed, can be a significant factor in long-term economic growth, but it obviously requires that if you cut taxes and maintain a viable long-term budget deficit, or surplus policy, you have to address spending as well." (Alan Greenspan, House Budget Committee, July 2003).

"We don't have a trillion-dollar debt because we haven't taxed enough—we have a trillion dollar debt because we spend too much." (President Ronald Reagan, 1982).

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding me this time.

I think it is useful to put this debate into perspective: enthusiastic ideas about how the budget process can work; talking about building a new house for the construction of the Nation's budget. It reminds me of a contractor that you might hire that has left the house in utter shambles, the project nowhere done, no hope of completion, yet he wants to talk to you about the next house, the next project.

We do not have a budget. We have a Republican President, we have a Republican Senate, we have a Republican House, and they cannot pass a budget.

So what is the amendment before us? It says we have to have a concurrent law for a budget. That will make it all right.

Mr. Chairman, if we just took all of this time and put it to work in trying to get a budget; after all, it should not be so hard: Republican controlled, Republican controlled, Republican controlled. If they just did the task in front of them, that would be a really good place to start. And in the absence of getting the budget done, all of the rest of this does not mean anything.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

The current system we have is dysfunctional. It has games built into the system so that the House can do one thing; the other body, the Senate, but I am not supposed to say that word, can do another; and the President can do a third thing. What happens in the current budget system is we go into a stalemate and to get out of that stalemate at the end of the year, we end up spending more money than the budget ever planned on spending.

What we simply want to do is to bring this budget up to the level of the law so that we are all on the same page at the beginning of the budget process so that we can enforce that budget because it is in law.

The budgets we pass here are not really binding, they are guidelines. They are not legally protected. We cannot protect and enforce our budget if it does not rise to the level of the law. We cannot be on the same page at the beginning of the year, if we are not on the same page at the beginning of the year. That is why we are trying to pass this very common sense idea, so that we are all on the same page and so that this can be law and, therefore, our budgets can be enforced.

I urge adoption of this amendment.

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

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

Mr. Chairman, I honestly fail to see what we will accomplish, except protracting the process; what we will accomplish positively by making this concurrent resolution a joint resolution that has the effect of law. I really do not know what will be different from what we have right now, except we would have to come to some agreement with the White House much, much sooner in the year than we otherwise have to.

What is going to be different? The statutory? What would be different about it?

Mr. RYAN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Chairman, this is part of our larger effort, which is in our substitute. But what this will do is allow to have a sequester to kick in if Congress exceeds its spending items. Just like the sequesters we have talked about before in the old Committee on the Budget days, if Congress overspends, because we have this in law, a sequester kicks in and brings spending back into conformity with the budget.

Mr. SPRATT. But that is done already under existing law.

Mr. RYAN of Wisconsin. But we waive our budget caps all of the time under the current system.

Mr. SPRATT. Sure. We would waive them again, put it in a bill, send it to the White House, the President would sign it.

Mr. RYAN of Wisconsin. This way the President could veto breaking the

budget caps early in the process and we could keep to these numbers.

Mr. SPRATT. Well, I am convinced it will prolong the process, complicate the process, and lead to less results rather than better results. It is something we can long argue about.

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

Mr. SPRATT. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, I am not going to change the gentleman's mind, I understand that. But we have heard a lot today about bringing everybody together. There is nothing like bringing everybody together by the need to pass a law as opposed to just passing a resolution. By doing it by resolution, the House can have a version, the other body can have a version, the President has a version. You can go through the entire year with three versions.

I understand we are not going to change the gentleman's mind or probably a lot of people's minds, but what the gentleman is suggesting is by doing it this way, everyone has to come together at least once. That is the reason.

The CHAIRMAN pro tempore (Mr. BASS). The time of the gentleman from South Carolina (Mr. SPRATT) has expired. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin (Mr. RYAN).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) will be postponed.

It is now in order to consider Amendment No. 8 printed in House report 108–566.

AMENDMENT NO. 8 OFFERED BY MR. RYAN OF WISCONSIN

Mr. RYAN of Wisconsin. Mr. Chairman, I offer an amendment.

The Chairman pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. RYAN of Wisconsin:

At the end, add the following new sections:

**SEC. . ESTABLISHMENT OF BUDGET PROTECTION MANDATORY ACCOUNT.**

(a) BUDGET PROTECTION MANDATORY ACCOUNT.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new sections:

''BUDGET PROTECTION MANDATORY ACCOUNT

''SEC. 316. (a) ESTABLISHMENT OF ACCOUNT.—The chairman of the Committee on the Budget of the House of Representatives and of the Senate shall each maintain an account to be known as the 'Budget Protection Mandatory Account'. The Account shall be divided into entries corresponding to the House or Senate committees, as applicable, that received allocations under section 302(a) in the most recently adopted concurrent resolution on the budget, except that it shall not include the Committee on Appropriations of that House and each entry shall consist of the 'First Year Budget Protection Balance' and the 'Five Year Budget Protection Balance'.

''(b) COMPONENTS.—Each entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

''(c) CREDITING OF AMOUNTS TO ACCOUNT.—(1) Whenever a Member or Senator, as the case may be, offers an amendment to a bill that reduces the amount of mandatory budget authority provided either under current law or proposed to be provided by the bill under consideration, that Member or Senator may state the portion of such reduction achieved in the first year covered by the most recently adopted concurrent resolution on the budget and in addition the portion of such reduction achieved in the first five years covered by the most recently adopted concurrent resolution on the budget that shall be—

''(A) credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance in the House or Senate, as applicable;

''(B) used to offset an increase in other new budget authority;

''(C) allowed to remain within the applicable section 302(a) allocation; or

''(D) used to offset a decrease in receipts.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance, as applicable, if the amendment is agreed to.

''(2) Except as provided by paragraph (3), the chairman of the Committee on the Budget of the House or Senate, as applicable, shall, upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, credit to the applicable entry balances amounts of new budget authority and outlays equal to the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by that House to that bill.

''(3) When computing the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House or Senate, as applicable, to a bill, the chairman of the Committee on the Budget of that House shall only count those portions of such amendments agreed to that were so designated by the Members or Senators offering such amendments as amounts to be credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance, or that fall within the last sentence of paragraph (1).

''(4) The chairman of the Committee on the Budget of the House and of the Senate shall each maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported to its House. This tally shall be available to Members or Senators during consideration of any bill by that House.

''(d) CALCULATION OF LOCK-BOX SAVINGS IN HOUSE AND SENATE.—For the purposes of enforcing section 302(a), upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, the amount of budget authority and outlays calculated pursuant to subsection (c)(3) shall be counted against the 302(a) allocation provided to the applicable committee or committees of that House which reported the bill as if the amount calculated pursuant to subsection (c)(3) was included in the bill just engrossed.

''(e) DEFINITION.—As used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2005 or any subsequent fiscal year, as the case may be.''.

**SEC. . ESTABLISHMENT OF BUDGET PROTECTION DISCRETIONARY ACCOUNT.**

''BUDGET PROTECTION DISCRETIONARY ACCOUNT

''SEC. 317. (a) ESTABLISHMENT OF ACCOUNT.—The chairman of the Committee on the Budget of the House of Representatives and of the Senate shall each maintain an account to be known as the 'Budget Protection Discretionary Account'. The Account shall be divided into entries corresponding to the subcommittees of the Committee on Appropriations of that House and each entry shall consist of the 'Budget Protection Balance'.

''(b) COMPONENTS.—Each entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

''(c) CREDITING OF AMOUNTS TO ACCOUNT.—(1) Whenever a Member or Senator, as the case may be, offers an amendment to an appropriation bill to reduce new budget authority in any account, that Member or Senator may state the portion of such reduction that shall be—

''(A) credited to the Budget Protection Balance;

''(B) used to offset an increase in new budget authority in any other account;

''(C) allowed to remain within the applicable section 302(b) suballocation or

''(D) used to offset a decrease in receipts.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the Budget Protection Balance, as applicable, if the amendment is agreed to.

''(2) Except as provided by paragraph (3), the chairman of the Committee on the Budget of the House or Senate, as applicable, shall, upon the engrossment of any appropriation bill by the House or Senate, as applicable, credit to the applicable entry balances amounts of new budget authority and outlays equal to the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by that House to that bill.

''(3) When computing the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House or Senate, as applicable, to an appropriation bill, the chairman of the Committee on the Budget of that House shall only count those portions of such amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the Budget Protection Balance, or that fall within the last sentence of paragraph (1).

''(4) The chairman of the Committee on the Budget of the House and of the Senate shall each maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported to its House. This tally shall be available to Members or Senators during consideration of any bill by that House.

''(d) CALCULATION OF LOCK-BOX SAVINGS IN HOUSE AND SENATE.—(1) For the purposes of enforcing section 302(a), upon the engrossment of any appropriation bill by the House or Senate, as applicable, the amount of budget authority and outlays calculated pursuant to subsection (c)(3) shall be counted against the 302(a) allocation provided to the Committee on Appropriations as if the amount calculated pursuant to subsection (c)(3) was included in the bill just engrossed.

''(2) For purposes of enforcing section 302(b), upon the engrossment of any appropriation bill by the House or Senate, as applicable, the 302(b) allocation provided to the

subcommittee for the bill just engrossed shall be deemed to have been reduced by the amount of budget authority and outlays calculated, pursuant to subsection (c)(3).

''(e) DEFINITION.—As used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2005 or any subsequent fiscal year, as the case may be.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new items:

''Sec. 316. Budget protection mandatory account.

''Sec. 317. Budget protection discretionary account.''.

**SEC. . REVENUE ADJUSTMENT.**

If an amendment is designated to be used to offset a decrease in receipts for a fiscal year pursuant to section 316(c)(1)(D) or section 317(c)(1)(D) of the Congressional Budget Act of 1974, then the applicable level of revenues for such fiscal year for purposes of section 311(a) of such Act shall be reduced by the amount of such amendment.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Wisconsin (Mr. RYAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

I bring this amendment to the desk with my cosponsor, the gentleman from Texas (Mr. NEUGEBAUER). Let me briefly explain it.

This is what we call budget protection accounts. Here is how the current appropriations process works. If we have a piece of spending in the budget that we think is wasteful, let me take two examples here; the $200,000 for the Rock and Roll Hall of Fame in Cleveland, Ohio, or the $500,000 for the Anaheim Resort Transit to fund buses at Disneyland, or the $50 million to fund the Coralville Rain Forest Museum in Coralville, Iowa.

Let us take, for example, if we want to get rid of that spending, we can bring an amendment to the floor, pass it, make sure that spending does not go to those projects, but by the rules of this institution, that money has to be spent somewhere else in the Federal government. That is ridiculous, Mr. Chairman.

All we are proposing is this: if Members can come to the floor with amendments to eliminate or reduce wasteful spending, they ought to be able to save that money. That is all we are proposing.

So what we do here is when a cutting amendment comes to the floor to reduce spending, the entire 302(a) allocation, the entire discretionary allocation goes down by the amount of that amendment. So that at the end of the year, that money either goes to reducing the deficit or that money goes to reduce taxes. We have a mechanism that makes sure that this reconciles with the other body appropriately.

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

Mr. SPRATT. Mr. Chairman, I claim the time in opposition, and I yield myself such time as I may consume.

Mr. Chairman, like many of the amendments that were offered to this base bill, I have only had the chance to peruse quickly this one. This is an idea that has been around the track before. In the late 1980s, early 1990s, we were searching for ways to get our hands around the problem. This is one of the things that was proposed by several different people in several different variations.

Anyone who tried to implement this and have legislative counsel draw it in a form that would be truly enforceable ran into multiple complications. It is maddeningly complicated, as the gentleman can tell from reading the bill. The bill takes it a step further than any version of this idea I have ever read before, and it taxed all my concentration here on the House Floor to make it from the first page to the last page, and I am in a maze. I do not really know how it works.

Mr. RYAN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Chairman, I can explain it. Basically, it works like this. A Member brings an amendment to the House Floor to cut spending. The 302(a) allocation goes down by that amount. At the end of the day, the conference report for the appropriation bills goes down by the lower of the two different amounts between the House amendments and the Senate amendments. At the end of the year, because the 302(a) will have gone down by that amount, the Committee on Ways and Means can use the savings for tax relief. If it does not do that by the end of the fiscal year, the savings, the lower of the amendments between the House or the Senate, is going toward deficit reduction.

That is essentially how it works. I know it is complicated.

Mr. SPRATT. Mr. Chairman, reclaiming my time, keep in mind that other body called the Senate moves in a separate orbit from this body, and somebody over there is going to have a different idea, and there is going to be an entry under a different program. When we go to conference, the conferees are going to have a different idea, and the bookkeepers around here are going to be switching credits from account to account, taking back credits as the money that was saved is now spent. The project that was going to be killed or cut is now restored, and it becomes a nightmare.

That is why this idea has had all of the longevity of a lead balloon. It has never gotten off the ground.

Mr. RYAN of Wisconsin. Mr. Chairman, will the gentleman briefly yield again?

Mr. SPRATT. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Chairman, I appreciate the gentleman's indulgence. First of all, it is true that you could eliminate a piece of pork here on the House Floor and it could get placed back in on the Senate floor. But by these rules, at least that amount of money would have to be saved, because the 302(a) allocation will go down by that amount. It would be up to the Committee on Appropriations to decide where that money comes from. But the point is, that money would have to be saved.

Mr. SPRATT. Mr. Chairman, if one could keep the trail of it, and that is the problem.

Mr. RYAN of Wisconsin. Mr. Chairman, that is up to the Committee on the Budget.

Mr. SPRATT. Mr. Chairman, reclaiming my time, the core idea is basically an appealing idea and lots of Members around here have had the experience where they have found something that they thought could be a legitimate saving, they have offered the amendment and prevailed, only to see the money is spent somewhere else. I disagree with the gentleman when he said a little while ago, and I think it was in a moment of zealousness, that if the savings were taken out of, say, the Cleveland Rock and Roll Museum, it would have to be spent somewhere else. It does not have to be spent somewhere else; it can be saved, and this mechanism was a way on to sort of lock box money, so that it could not be used again.

But there are so many moving pieces. We have an authorization bill, an appropriation bill; a House and a Senate conference committee, and any time anybody makes any kind of change or different entry, there has to be an adjustment. This is a $2.2 trillion budget, and I think the bookkeepers, their minds would be boggled trying to keep account of this, as mine was when I was trying to read the gentleman's bill.

So I do not discredit the idea, it is just the mechanism for enforcing it and truly making it work is so complicated, I think it collapses upon itself.

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

The CHAIRMAN pro tempore. The gentleman from South Carolina (Mr. SPRATT) has 1 minute remaining; the gentleman from Wisconsin (Mr. RYAN) has 3½ minutes remaining.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to the cosponsor of this amendment, the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Mr. Chairman, I rise today in support of the Budget Accounts amendment. I appreciate having the chance to work with the gentleman from Wisconsin (Mr. RYAN) on this amendment which enhances the budget legislation we are considering today.

In this and other debates today, we have heard a lot of talk about a provision called PAYGO. Well, I think this

amendment creates something that I call save-go.

Budget Protection Accounts allow us to actually save money for the taxpayers as we go through the appropriations and other spending bills; money that is set aside for the taxpayers, either in the form of tax relief or debt reduction.

When Members offer amendments on appropriations bills today that reduce spending, any money reduced automatically becomes available to be spent on another program or a project in that bill or in another bill. If the Budget Projection Accounts are created, Members would be able to direct savings resulting from their amendments to the debt reduction or tax relief. Members are not required to do so, but they are simply given that option. Imagine being able to go home back to your district and actually tell your constituents that you saved them some money.

This is an important option to have if we are serious about doing something about reducing spending. Members have little incentive to offer amendments that reduce spending when they know that the money the amendment claims to save is automatically given to other projects. If Members have the option to direct savings to relief of deficit reduction or incentive to go after other waste and fraud, they will actually do so.

Budget Protection Accounts allow Members to be for savings and fiscally responsible, rather than always against projects or programs.

Let us give the House the opportunity to save the taxpayers some money when we are going through spending bills and the opportunity to use those savings for the benefit of the taxpayers. As many have said today, and I continue to say, Mr. Chairman, we do not have an income problem, we have a spending problem, and I believe that the Budget Protection Accounts help us with that problem.

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

Mr. RYAN of Wisconsin. Mr. Chairman, I yield the remaining time to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, this is really a simple idea. And I think I am understanding the gentleman from South Carolina to say that he agrees with the concept, the concept being that if you identify a specific item that appears to one of the Members here as wasteful and he prevails in his vote on the floor, that that money should not be spent somewhere else. It is not that complicated. And, God knows, we got a lot of items that fit this description. The last omnibus spending bill we allocated $4 million to study fruit flies in France, $2 million to teach kids to play golf in Florida, and, yes, $50 million to build an indoor tropical rain forest in Iowa.

The gentleman from South Carolina, if I understand correctly, seems to be objecting to the amendment on the grounds that it is difficult to draft this in a way that really works. And I am the first to say it is tricky. But we got a lot of very bright people in this town. If this is not the absolute perfect way to draft it, although it might be, I appreciate my colleague conceding that the gentleman from Wisconsin (Mr. RYAN) has done an excellent job, maybe the best job yet on this, I would say let us support the amendment and let us work on refining it and improving it and let us dedicate both sides' staffs to figuring out how to get this done.

But the concept of saying if a certain amount of spending is going to be withheld on this floor, that that money is not available to be spent anywhere else, that is not that hard. I am convinced we can do it.

So I would urge my colleagues to reconsider and to support this amendment and work together to find the language that achieves the objective that apparently we all agree with.

Mr. SPRATT. Mr. Chairman, to close I yield the remaining time to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, this proposal would allow a vote on the Senate to reduce the House 302(b) allocation. A vote on the Senate reduces our allocation. This is an absurd idea on its face. But it perverts the name ''lockbox.'' Previously we all agreed on lockbox. Lockbox meant we did not spend Social Security, we did not spend Medicare revenues on anything but Social Security and Medicare.

The deficit policies of the majority now spend every nickel of the surplus of Social Security and Medicare, every nickel; $500 billion this year alone. They want to get up on the floor of the House and talk about creating this Mickey Mouse lockbox of theirs to capture fruit fly spending. It is ridiculous.

Let us talk about the real issue: blowing all the revenues of Social Security, all the revenues of Medicare, all of the surplus intended to strengthen these programs, gone because of runaway deficit spending, the absolute core result of Republican fiscal policies.

Rather than pass a budget to deal responsibly with beginning to get us out of this hole, they put us through this charade tonight. Shame on my colleagues. Defeat this amendment.

The CHAIRMAN pro tempore (Mr. BASS). The question is on the amendment offered by the gentleman from Wisconsin (Mr. RYAN).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) will be postponed.

It is now in order to consider amendment No. 9 printed in House Report 108–566.

AMENDMENT NO. 9 OFFERED BY MR. RYAN OF WISCONSIN

Mr. RYAN of Wisconsin. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. RYAN of Wisconsin:

At the end, add the following new section:

**SEC. . ENHANCED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS.**

(a) IN GENERAL.—Part B of title X of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 681 et seq.) is amended by redesignating sections 1013 through 1017 as sections 1014 through 1018, respectively, and by inserting after section 1012 the following new section:

''ENHANCED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS

''SEC. 1013. (a) PROPOSED RESCISSION OF BUDGET AUTHORITY IDENTIFIED AS WASTEFUL SPENDING.—The President may propose, at the time and in the manner provided in subsection (b), the rescission of any budget authority provided in an appropriation Act that he identifies as wasteful spending. If the President proposes a rescission of budget authority, he may also propose to reduce the appropriate discretionary spending limits for new budget authority and outlays flowing therefrom set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount that does not exceed the amount of the proposed rescission. Funds made available for obligation under this procedure may not be proposed for rescission again under this section.

''(b) TRANSMITTAL OF SPECIAL MESSAGE.—

''(1) The President may transmit to Congress a special message proposing to rescind amounts of budget authority and include with that special message a draft bill that, if enacted, would only rescind that budget authority unless the President also proposes a reduction in the appropriate discretionary spending limits set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. That bill shall clearly identify the amount of budget authority that is proposed to be rescinded for each program, project, or activity to which that budget authority relates.

''(2) In the case of an appropriation Act that includes accounts within the jurisdiction of more than one subcommittee of the Committee on Appropriations, the President in proposing to rescind budget authority under this section shall send a separate special message and accompanying draft bill for accounts within the jurisdiction of each subcommittee.

''(3) Each special message shall specify, with respect to the budget authority proposed to be rescinded, the following:

''(A) The amount of budget authority which he proposes to be rescinded.

''(B) Any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved.

''(C) The reasons why the budget authority should be rescinded, including why he considers it to be wasteful spending.

''(D) To the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed rescission.

''(E) All facts, circumstances, and considerations relating to or bearing upon the proposed rescission and the decision to effect the proposed rescission, and to the maximum extent practicable, the estimated effect of the proposed rescission upon the objects, purposes, and programs for which the budget authority is provided.

''(F) A reduction in the appropriate discretionary spending limits set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, if proposed by the President.

''(c) PROCEDURES FOR EXPEDITED CONSIDERATION.—

''(1)(A) Before the close of the second legislative day of the House of Representatives after the date of receipt of a special message transmitted to Congress under subsection (b), the majority leader or minority leader of the House of Representatives shall introduce (by request) the draft bill accompanying that special message. If the bill is not introduced as provided in the preceding sentence, then, on the third legislative day of the House of Representatives after the date of receipt of that special message, any Member of that House may introduce the bill.

''(B) The bill shall be referred to the Committee on Appropriations. The committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of that House after the date of receipt of that special message. If that committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

''(C) A vote on final passage of the bill shall be taken in the House of Representatives on or before the close of the 10th legislative day of that House after the date of the introduction of the bill in that House. If the bill is passed, the Clerk of the House of Representatives shall cause the bill to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the bill is passed.

''(2)(A) A motion in the House of Representatives to proceed to the consideration of a bill under this section shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

''(B) Debate in the House of Representatives on a bill under this section shall not exceed 4 hours, which shall be divided equally between those favoring and those opposing the bill. A motion to further limit debate shall not be debatable. It shall not be in order to move to recommit a bill under this section or to move to reconsider the vote by which the bill is agreed to or disagreed to.

''(C) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a bill under this section shall be decided without debate.

''(D) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a bill under this section shall be governed by the Rules of the House of Representatives. It shall not be in order in the House of Representatives to consider any rescission bill introduced pursuant to the provisions of this section under a suspension of the rules or under a special rule.

''(3) A bill transmitted to the Senate pursuant to paragraph (1)(D) shall be referred to its Committee on Appropriations. That committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of the Senate after it receives the bill. A committee failing to report the bill within such period shall be automatically discharged from consideration of the bill, and the bill shall be placed upon the appropriate calendar.

''(4)(A) A motion in the Senate to proceed to the consideration of a bill under this section shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

''(B) Debate in the Senate on a bill under this section, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (C)), shall not exceed 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

''(C) Debate in the Senate or any debatable motion or appeal in connection with a bill under this section shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control of the passage of a bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

''(D) A motion in the Senate to further limit debate on a bill under this section is not debatable. A motion to recommit a bill under this section is not in order.

''(d) AMENDMENT AND DIVISIONS PROHIBITED.—No amendment to a bill considered under this section shall be in order in either the House of Representatives or the Senate. It shall not be in order to demand a division of the question in the House of Representatives (or in a Committee of the Whole) or in the Senate. No motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House to suspend the application of this subsection by unanimous consent.

''(e) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be rescinded in a special message transmitted to Congress under subsection (b) shall be made available for obligation on the day after the date on which either House rejects the bill transmitted with that special message.

''(f) DEFINITIONS.—For purposes of this section:

''(1) The term 'appropriation Act' means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations.

''(2) The term 'legislative day' means, with respect to either House of Congress, any day of session.

''(3) The term 'rescind' means, with respect to an appropriation Act, to reduce the amount of budget authority appropriated in that Act, and reducing budget authority shall include reducing obligation limitations set forth in that Act.''.

(b) EXERCISE OF RULEMAKING POWERS.—Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—

(1) in subsection (a), by striking ''and 1017'' and inserting ''1012, and 1017''; and

(2) in subsection (d), by striking ''section 1017'' and inserting ''sections 1012 and 1017''.

(c) CONFORMING AMENDMENTS.—

(1) Section 1011 of the Congressional Budget Act of 1974 (2 U.S.C. 682(5)) is amended by repealing paragraphs (3) and (5) and by redesignating paragraph (4) as paragraph (3).

(2) Section 1014 of such Act (2 U.S.C. 685) is amended—

(A) in subsection (b)(1), by striking ''or the reservation''; and

(B) in subsection (e)(1), by striking ''or a reservation'' and by striking ''or each such reservation''.

(3) Section 1015(a) of such Act (2 U.S.C. 686) is amended by striking ''is to establish a reserve or'', by striking ''the establishment of such a reserve or'', and by striking ''reserve or'' each other place it appears.

(4) Section 1017 of such Act (2 U.S.C. 687) is amended—

(A) in subsection (a), by striking ''rescission bill introduced with respect to a special message or'';

(B) in subsection (b)(1), by striking ''rescission bill or'', by striking ''bill or'' the second place it appears, by striking ''rescission bill with respect to the same special message or'', and by striking '', and the case may be,'';

(C) in subsection (b)(2), by striking ''bill or'' each place it appears;

(D) in subsection (c), by striking ''rescission'' each place it appears and by striking ''bill or'' each place it appears;

(E) in subsection (d)(1), by striking ''rescission bill or'' and by striking '', and all amendments thereto (in the case of a rescission bill)'';

(F) in subsection (d)(2)—

(i) by striking the first sentence;

(ii) by amending the second sentence to read as follows: ''Debate on any debatable motion or appeal in connection with an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event that the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee.'';

(iii) by striking the third sentence; and

(iv) in the fourth sentence, by striking ''rescission bill or'' and by striking ''amendment, debatable motion,'' and by inserting 'debatable motion';

(G) in paragraph (d)(3), by striking the second and third sentences; and

(H) by striking paragraphs (4), (5), (6), and (7) of paragraph (d).

(d) CLERICAL AMENDMENTS.—The table of sections for subpart B of title X of the Congressional Budget and Impoundment Control Act of 1974 is amended by redesignating the item relating to sections 1014 through 1018 as items 1015 through 1019, respectively, and by inserting after the item relating to section 1012 the following new item:

''Sec. 1013. Enhanced consideration of certain proposed rescissions.''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Wisconsin (Mr. RYAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I will explain this. We are going to go after wasteful spending in another direction with this amendment. This is a bipartisan amendment with the gentleman from Texas (Mr. STENHOLM), also with the gentleman from Delaware (Mr. CASTLE), who is not here with us on the floor this moment, supporting this amendment. This is what we call enhanced rescissions.

The way this amendment works is that the President, after signing a bill into law, an appropriations bill into law, has the ability to pull out a wasteful spending measure or a number of wasteful spending measures that he or she deems wasteful.

Now, this makes sure that we retain the power of the purse so that that bill comes back to the House and the Senate among expedited procedures where we vote up or down on that rescission package.

Now, if my colleagues will recall, during the line item veto debate of a number of years ago, the Supreme Court ended up striking down the line item veto. The reason the Supreme Court struck down the line item veto is a reason I agree with, which was it is unconstitutional for the legislative branch to delegate its lawmaking power to the executive branch the power of the purse.

So what we are doing in place of that is this. As a consequence to those who oppose the line item veto at the same time, they were the folks who were actually proposing this legislation, what happens is the President pulls out spending from a spending bill, sends it back to Congress on an expedited procedural basis, Congress votes up or down on those spending cuts. And we have the final say as to whether or not that spending occurs.

Now, the great point of all of this is we end up having to vote on these huge appropriation bills. Last year's omnibus appropriation bill had seven different appropriation bills bundled into one. So we had one vote on the conference report up or down. So we had to vote on veterans health care, on Labor Department spending, on Health and Human Services; but we also had to vote for the $50 million rain forest museum in Coralville, Iowa.

This gives the President the ability to say we probably should not be spending money on that rain forest museum in Coralville, Iowa, and a few other things. I am pulling those out of this bill and sending it back to Congress for a revote, and then Congress has the final decision as to whether or not that spending takes place.

We retain the power of the purse, but we have a tool to go after wasteful spending.

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

The CHAIRMAN pro tempore. Who claims time in opposition to the amendment?

Mr. SPRATT. Mr. Chairman, I claim the time in opposition, but I may not oppose the bill. I simply claim the time.

The CHAIRMAN pro tempore. Without objection, the gentleman from South Carolina will control the time.

There was no objection.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I am very happy to join with the gentleman from Wisconsin (Mr. RYAN) and the gentleman from Delaware (Mr. CASTLE) to offer this amendment tonight.

Expedited rescission has been around a long time. Dan Quayle first introduced it in 1975. Senator CARPER, Dick Armey did yeoman's work in passing this legislation. I have been working in support of expedited rescission legislation since 1992. And I worked with many Members on my side of the aisle, including the gentleman from South Carolina (Mr. SPRATT), the gentleman from Michigan (Mr. CONYERS), and others on similar proposals.

There is a fundamental question that we need to ask. Line item veto was unconstitutional, and I was never comfortable giving any President one-third-plus-one minority override over a decision of Congress, and the Supreme Court upheld that as being unconstitutional, but imperfectly willing to give any President line item veto over any pork spending, if that is what you want to call it, by me or the gentleman from Wisconsin (Mr. RYAN) or anyone else, provided I have an opportunity to have a majority of the House agree with me or to agree with the President. That is what expedited rescission is all about.

I respect the concern of Members on my side of the aisle that that amendment will give too much power to the President, but it matters not to me who is President. I am perfectly willing to give any President that opportunity because it will have a very cleansing effect because anyone that sticks in as many add-ons as we have been adding on to the appropriation process, and I found it rather amusing listening to the appropriators a moment ago, when you look at what has happened with all of the add-ons, all of the add-ons that have been added in the appropriations process, I would love to see a President come in and line item veto that, even if it is mine or anyone else's, because it would have a cleansing effect.

If one cannot stand up on the floor and defend that which he has asked appropriators to put in the bill, he should not do it. And that is what this amendment is all about.

This amendment will not make a significant dent in our deficit, and I do not claim that it will. But it will have a very real cleansing effect on the legislative process. And it will take a step towards reducing the public cynicism about the political process.

The time has come for to us support this additional tool for accountability and fiscal responsibility.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, we have talked about a number of individual items that we have found questionable in past omnibus bills, including, in particular, a tropical rain forest that, by the way, was not in the district of the Committee on the Budget chairman.

One of the points that I want to make about the beauties of this particular amendment is that often, this is going to be shocking to people listening to this debate, but often we have an appropriation bill, especially when it is an omnibus appropriation bill, that can be thousands and thousands of pages long, and who knows how many tens of thousands of lines in this. And sometimes we have had all of several hours to go through every single line in these thousands and thousands of pages. The stack is usually here somewhere, set up here. If one can get here and they are the first person there, then they can get it and they can look through and they can discover the $4 million for fruit flies in France or whatever else it might be. And they could raise their objection and deal with that. But sometimes you might not get the opportunity to go through this whole thing. In fact, as a practical matter, none of us do. We discover later on what all has been inserted in this bill.

What this mechanism does is it provides an opportunity after the bill, and many of us do not want to vote against veterans funding or important programs that are also in these bills, ends up passing; but what this amendment does, it gives the President an opportunity to say, okay, hold on a second here, we got a little out of hand, let us take the following handful of items and let us rethink that on an up-or-down vote just these items.

This is just common sense, responsible budgeting and appropriating. So I would urge my colleagues to support this amendment.

Mr. SPRATT. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I have actually sponsored legislation like this in the past. I have voted for it and argued for it on the House floor. When we had the vote on the line item veto, I came over here and tried to offer an alternate amendment to it and argued to the House, the other side principally, that if they would adopt this, and the Supreme Court did what I predicted they would do and held it unconstitutional, then this would be in place as the alternative. We would have it by now if that had been attempted, the bill passed. And that was not put in it.

There was a strong suspicion on my colleagues' side that if we put that in, the Senate would take out the line item veto and pass the rescission provisions. In truth, there are certain Senators who are probably laying in wait for this rescission provision already.

We did add some features to it that I would recommend for your consideration. One is when it came through the Committee on Government Reform we added a provision that would not only allow spending to be treated this way, but also targeted tax cuts. Because these targeted tax cuts are often tax expenditures and they were defined as tax cuts which had a beneficiary class, a few of them. I thought it was a good idea and a good improvement on the bill.

We bring these tax bills over here to the floor, they are not amendable. We vote on them up or down. At least on the appropriations bill, if one wants to, they have an opportunity to go after individual items. Instead, the tax bills have all kinds of provisions.

We also had some provisions in it about how you could break out for separate treatment all or certain parts of the package if one could get a petition with so many Members. This is an idea that has been around and around the track, and it is actually an idea that has been embellished and improved as it went around the track. I am not quite sure how many of those ideas there are in this particular version of it, but I recommend those for my colleagues' consideration.

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

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, I want to answer the points the gentleman from South Carolina made. We did look at the issue of whether there are tax expenditures included in the enhanced rescission power, and some raised the constitutional question. Because in article I, section 7, the U.S. Constitution clearly states that bills for raising revenue shall originate only in the House of Representatives.

There are some who have a constitutional concern, and this is a debated point, that it would be unconstitutional for the President to alter tax legislation because this would be an originating bill even after this other bill would be passed into law.

So there is a constitutional question about the tax expenditure side. But, more importantly, we want to focus on spending. We wanted to focus this tool to go after wasteful spending.

Let me just conclude with showing a few things that we have done around here. Both parties are to blame for this; 13.4 million for community resilience project in Virginia.

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Mr. Chairman, $916,000 for a study about what makes a meaningful day, $500,000 for the Anaheim Resort Transit to fund buses for Disneyland, $270,000 for wool research in Montana and Wyoming, $72,000 for the study by the National Institute of Health on dorm room wall decorations and Web pages.

These are ridiculous expenditures that I believe are an embarrassment to this body, and it is a good thing, and I think we all agree, to have the President have the ability to bring those things out and send it back and have us vote on those things in the light of day instead of tucking them in big appropriations bill.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, sometimes it is rather amusing if you have been around for a few years, as I have. The last time this was seriously discussed, my friends on this side of the aisle opposed it. They believe the expedited rescission was a bad idea and that we ought to go with line-item veto. The person that interjected taxes into this was Bob Michel, the minority leader, in suggesting that if you really want to do this in a way in which it will work, you put everything on the table.

The gentleman from South Carolina (Mr. SPRATT) supported that, and today it is why it is so difficult. The gentleman from Iowa (Chairman NUSSLE) was talking about, it is us. It is we. It is pretty difficult for ''we'' to work on things when we keep changing what we think because of the current political environment that we have.

Mr. Chairman, I am happy to yield to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, a couple of us were not in Congress back then when you guys decided that, so we have been consistent.

Mr. STENHOLM. I know, but it is great. You can come in here and get 85 votes, and it does not get things done. We can get 300 votes.

Mr. CASTLE. Mr. Chairman, I rise today in support of the Ryan/Castle/Stenholm amendment. I have supported this executive power in many forms, but I see this amendment as a version that all of us can stand behind.

Under this power, the President, regardless of party, may submit to Congress, provisions from a spending bill that he deems wasteful. The difference between our approach, and the Line-Item Veto which was overturned by the Supreme Court in 1998, is that Congress remains the deciding factor. The power of the purse remains in the hands of Congress.

This ''expedited'' rescission is intended to ensure a vote on those rescission requests sent from the President. Under expedited rescission, Congressional approval would still be necessary to cancel the funding by an up-or-down vote on an individual spending provision.

I believe that Congressional power is actually increased under this amendment—because Members are able to exercise more discretion over wasteful spending. Additionally, I believe that under this provision, Members will hesitate to abuse the practice of earmarking funds when they are held accountable to the full House.

The Line Item Veto Act of 1996 amended the Congressional Budget and Impoundment Control Act of 1974, to give the President ''enhanced rescission authority'' to cancel certain items. The President was only to exercise the cancellation authority if he determined that such cancellation would reduce the federal budget deficit and would not impair essential government functions or harm the national interest; and then notified the Congress. The act provided 30 days for the expedited congressional consideration of disapproval bills to reverse the cancellations from the President.

When the Supreme Court overturned the Line item Veto in 1998, the subsequent policy discussions produced alternative versions that would address issues of Constitutionality. This enhanced rescission would give lawmakers the ability to clean up waste in spending bills while protecting the priorities of the bill.

We believe that this amendment has the opportunity to eliminate wasteful and abusive spending, while maintaining Congressional power of the purse and I encourage my colleagues to support Ryan/Castle/Stenholm.

The CHAIRMAN pro tempore (Mr. BASS). The question is on the amendment offered by the gentleman from Wisconsin (Mr. RYAN).

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

Mr. RYAN of Wisconsin. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) will be postponed.

It is now in order to consider in sequence amendments numbered 10 through 14 printed in House Report 108–566. The Chair has been advised that the amendments will not be offered.

AMENDMENT NO. 15 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 15 in the Nature of a Substitute Offered by Mr. SPRATT

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Budget Enforcement Act of 2004''.

**SEC. 2. EXTENSION OF DISCRETIONARY SPENDING LIMITS.**

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 251(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to fiscal year 2004) is amended—

(A) in subparagraph (A), by striking ''$31,834,000,000'' and inserting ''$28,052,000,000''; and

(B) in subparagraph (B), by striking ''$1,462,000,000'' and inserting ''$1,436,000,000'' and by striking ''$6,629,000,000'' and inserting ''$6,271,000,000''.

(2) Section 251(c)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2005'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $832,474,000,000 in new budget authority and $870,895,000,000 in outlays;

''(B) for the highway category: $30,585,000,000 in outlays; and

''(C) for the mass transit category: $1,554,000,000 in new budget authority and $6,787,000,000 in outlays; and''.

(3) Section 251(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2006'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $856,879,000,000 in new budget authority and $865,993,000,000 in outlays;

''(B) for the highway category: $33,271,000,000 in outlays; and

''(C) for the mass transit category: $1,671,000,000 in new budget authority and $7,585,000,000 in outlays; and''.

(4) Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating paragraphs (4) through (9) as paragraphs (7) through (12) and inserting after paragraph (3) the following new paragraphs:

''(4) with respect to fiscal year 2007—

''(A) for the highway category: $35,248,000,000 in outlays; and

''(B) for the mass transit category: $1,785,000,000 in new budget authority and $8,110,000,000 in outlays;

''(5) with respect to fiscal year 2008—

''(A) for the highway category: $36,587,000,000 in outlays; and

''(B) for the mass transit category: $1,890,000,000 in new budget authority and $8,517,000,000 in outlays; and

''(6) with respect to fiscal year 2009—

''(A) for the highway category: $37,682,000,000 in outlays; and

''(B) for the mass transit category: $2,017,000,000 in new budget authority and $8,968,000,000 in outlays;''.

(b) DEFINITIONS.—Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subparagraph (B), by—

(A) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003'' and inserting ''the Transportation Equity Act: A Legacy for Users''; and

(B) inserting before the period at the end the following new clauses:

''(v) 69-8158-0-7-401 (Motor Carrier Safety Grants).

''(vi) 69-8159-0-7-401 (Motor Carrier Safety Operations and Programs).'';

(2) in subparagraph (C), by—

(A) inserting ''(and successor accounts)'' after ''budget accounts''; and

(B) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003 or for which appropriations are provided pursuant to authorizations contained in those Acts (except that appropriations provided pursuant to section 5338(h) of title 49, United States Code, as amended by the Transportation Equity Act for the 21st Century, shall not be included in this category)'' and inserting ''the Transportation Equity Act: A Legacy for Users or for which appropriations are provided pursuant to authorizations contained in that Act''; and

(3) in subparagraph (D)(ii), by striking ''section 8103 of the Transportation Equity Act for the 21st Century'' and inserting ''section 8103 of the Transportation Equity Act: A Legacy for Users''.

**SEC. 3. ADJUSTMENTS TO ALIGN HIGHWAY SPENDING WITH REVENUES.**

Subparagraphs (B) through (E) of section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''(B) ADJUSTMENT TO ALIGN HIGHWAY SPENDING WITH REVENUES.—(i) When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall make adjustments to the highway category for the budget year and each outyear as provided in clause (ii)(I)(cc).

''(ii)(I)(aa) OMB shall take the actual level of highway receipts for the year before the current year and subtract the sum of the estimated level of highway receipts in subclause (II) plus any amount previously calculated under item (bb) for that year.

''(bb) OMB shall take the current estimate of highway receipts for the current year and subtract the estimated level of receipts for that year.

''(cc) OMB shall add one-half of the sum of the amount calculated under items (aa) and (bb) to the obligation limitations set forth in the section 8103 of the Transportation Equity Act: A Legacy for Users and, using current estimates, calculate the outlay change resulting from the change in obligations for the budget year and the first outyear and the outlays flowing therefrom through subsequent fiscal years. After making the calculations under the preceding sentence, OMB shall adjust the amount of obligations set forth in that section for the budget year and the first outyear by adding one-half of the sum of the amount calculated under items (aa) and (bb) to each such year.

''(II) The estimated level of highway receipts for the purposes of this clause are—

''(aa) for fiscal year 2004, $30,572,000,000;

''(bb) for fiscal year 2005, $34,260,000,000;

''(cc) for fiscal year 2006, $35,586,000,000;

''(dd) for fiscal year 2007, $36,570,000,000;

''(ee) for fiscal year 2008, $37,603,000,000; and

''(ff) for fiscal year 2009, $38,651,000,000.

''(III) In this clause, the term 'highway receipts' means the governmental receipts credited to the highway account of the Highway Trust Fund.

''(C) In addition to the adjustment required by subparagraph (B), when the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall calculate and the budget shall include for the budget year and each outyear an adjustment to the limits on outlays for the highway category and the mass transit category equal to—

''(i) the outlays for the applicable category calculated assuming obligation levels consistent with the estimates prepared pursuant to subparagraph (D), as adjusted, using current technical assumptions; minus

''(ii) the outlays for the applicable category set forth in the subparagraph (D) estimates, as adjusted.

''(D)(i) When OMB and CBO submit their final sequester report for fiscal year 2004, that report shall include an estimate of the outlays for each of the categories that would result in fiscal years 2005 through 2009 from obligations at the levels specified in section 8103 of the Transportation Equity Act: A Legacy for Users using current assumptions.

''(ii) When the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall adjust the estimates made in clause (i) by the adjustments by subparagraphs (B) and (C).

''(E) OMB shall consult with the Committees on the Budget and include a report on adjustments under subparagraphs (B) and (C) in the preview report.''.

**SEC. 4. LEVEL OF OBLIGATION LIMITATIONS.**

(a) HIGHWAY CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the highway category is—

(1) for fiscal year 2004, $34,309,000,000;

(2) for fiscal year 2005, $35,671,000,000;

(3) for fiscal year 2006, $36,719,000,000;

(4) for fiscal year 2007, $37,800,000,000;

(5) for fiscal year 2008, $38,913,000,000; and

(6) for fiscal year 2009, $40,061,000,000.

(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

(1) for fiscal year 2004, $7,266,000,000;

(2) for fiscal year 2005, $7,750,000,000;

(3) for fiscal year 2006, $8,266,000,000;

(4) for fiscal year 2007, $8,816,000,000;

(5) for fiscal year 2008, $9,403,000,000; and

(6) for fiscal year 2009, $10,029,000,000.

For purposes of this subsection, the term ''obligation limitations'' means the sum of budget authority and obligation limitations.

**SEC. 5. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended ''2002'' both places it appears and inserting ''2009''.

**SEC. 6. REPORTS.**

Subsections (c)(2) and (f)(2)(A) of section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''2002'' and inserting ''2006 (or 2009 solely for purposes of enforcing the discretionary spending limits for the highway and mass transit categories)''.

**SEC. 7. EXPIRATION.**

Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2006 (or 2009 solely for purposes of enforcing the discretionary spending limits for the highway and mass transit categories)'' and by striking ''2006'' and inserting ''2013''.

**SEC. 8. TECHNICAL CORRECTIONS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.**

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In section 250(a), strike ''SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES'' and insert ''Sec. 256. General and special sequestration rules'' in the item relating to section 256.

(2) In subparagraphs (F), (G), (H), (I), (J), and (K) of section 250(c)(4), insert ''subparagraph'' after ''described in'' each place it appears.

(3) In section 250(c)(18), insert ''of'' after ''expenses''.

(4) In section 251(b)(1)(A), strike ''committees'' the first place it appears and insert ''Committees''.

(5) In section 251(b)(1)(C)(i), strike ''fiscal years'' and insert ''fiscal year''.

(6) In section 251(b)(1)(D)(ii), strike ''fiscal years'' and insert ''fiscal year''.

(7) In section 252(b)(2)(B), insert ''the'' before ''budget year''.

(8) In section 252(c)(1)(C)(i), strike ''paragraph (1)'' and insert ''subsection (b)''.

(9) In section 254(c)(3)(A), strike ''subsection'' and insert ''section''.

(10) In section 254(f)(4), strike ''subsection'' and insert ''section'' and strike ''sequesterable'' and insert ''sequestrable''.

(11) In section 255(g)(1)(B), move the fourteenth undesignated clause 2 ems to the right.

(12) In section 255(g)(2), insert ''and'' after the semicolon at the end of the next-to-last undesignated clause.

(13) In section 255(h)—

(A) strike ''and'' after the semicolon in the ninth undesignated clause;

(B) insert ''and'' after the semicolon at the end of the tenth undesignated clause; and

(C) strike the semicolon at the end and insert a period.

(14) In section 256(k)(1), strike ''paragraph (5)'' and insert ''paragraph (6)''.

(15) In section 257(b)(2)(A)(i), strike ''differenes'' and insert ''differences''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from South Carolina (Mr. SPRATT) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPRATT).

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

Mr. Chairman, this substitute would extend the so-called PAYGO rule

through September 30, 2009, to require that both the cost of all net direct, mandatory or entitlement spending increases and all tax cuts both, this is two-edged, double-edged PAYGO, enacted during a session be fully offset. In other words, this amendment would reinstate the rules that expired two years ago, the rule that is applicable to entitlement increases, the rule that is applicable to tax cuts known as the PAYGO rule.

In addition, this amendment would set total discretionary spending limits for 2005 and 2006 equal to the levels in the Democratic budget resolution which we offered on the House floor a few months ago. There are no total funding caps for other years.

Like H.R. 4663, it specifies that annual mass transit and highway funding for each year through 2009 will be set at the levels also included in the House-passed transportation reauthorization bill, known as TEA–LU.

Mr. Chairman, in the 1980s and 1990s, as we have struggled with deficits and as the effects of Gramm-Rudman-Hollings fizzled out, various rules, some of which have been surfaced on the House floor tonight, were proposed and tried. Two, however, emerged as meritorious and were included in what became the Budget Enforcement Act of 1991. It was a spin-off from the Bush Budget Summit in the year 1990. These were the disciplinary tools to implement the Bush Budget Summit Agreement, which really has not gotten the credit it is due for laying the foundation for what we accomplished in the 1990s. Neither have these rules gotten the full credit of their due, but they got a nice accolade from a source who admitted that he was a cynic, if not a skeptic, at that time, Chairman Alan Greenspan of the Federal Reserve.

He told our committee, the Committee on the Budget, just a few weeks ago when we asked him about the renewal of these rules, if he thought from his observation as an outside observer of the budget that these were worthwhile tools. He said, you know, I was a skeptic. I did not think they would work. I thought they were diversionary tactic, but I have been proven wrong. They were remarkably effective.

And when we questioned him and asked him, he said, I would reinstate both rules, both the discretionary spending caps, and I would reinstate the pay-as-you-go rule, which provides that if you want to have a tax cut when you have got a deficit, then you have to make it deficit neutral; you have to have an offset. You either cut entitlement spending one place in the budget, or you increase revenues as an offset in another place.

And by the same token, if you want to enhance an entitlement, you have got to identify a revenue stream to pay for it, or you have to have a commensurate cut and another entitlement program elsewhere in the budget so that in all respects, they are deficit neutral at the end of the session.

These two rules, the PAYGO rule, the double-edged PAYGO rule and the statutory spending caps on discretionary spending, are the heart and soul of this particular substitute that I am offering here. This cuts to the very core.

Rather than go through all of these convoluted rules, let us go back to two rules that work. Let us be pragmatic. Let us pick from the past experience that we have had those rules that contributed the most to our success in the 1990s, and after all, we moved the budget from a $290 deficit to a $236 surplus in six fiscal years, and these two rules helped us do it.

They have both expired now. We could do a world of good for the budget process, for the budget, for the deficit, by reinstating these two rules, and really, it is all we need to do that and fixing realistically discretionary spending caps.

Let me say, we proposed 5 years of spending caps. The chairman has reduced his effort to just 2 years. In an effort to get something that he could possibly pass over there, he went with two years. I really do not think we have effective discretionary spending limits unless we have longer terms than that. So we have a 5-year spending limitation on discretionary spending, and I should acknowledge that we have set this a bit above current service, a bit above the CBO baseline. Why did we do that? Because we fully accommodated the President's defense request, nondefense discretionary, and our cap is pretty close to baseline, pretty close to current services, just a bit over.

Total discretionary is somewhat more in excess of the CBO baseline because we followed the President's defense members. We put in the $50 billion this year for the Iraq and Afghanistan and supplemental expenses. That is realistic, and there is one rule that we learned in the 1990s we should apply here, too. It applies to the 1997 budget which was uniquely successful when we set the statutory caps on discretionary spending at a very, very tight and unrealistic level.

When we got to the ideas, we fudged on them substantially and that is primarily because partly because we set them too tight to start with. Here, we have set them realistically. We have got two rules that work. They have proved their worth.

The chairman of the Federal Reserve says I do not see why you would not reinstate them and make the PAYGO rule in particular applicable to tax cuts as well as entitlement increases. I submit to the House, if we want to do something tonight, if we want some concrete, valuable outcome for all of our efforts, these two things would do a world of good, and we could leave here feeling that we had done something good for the budget and something successful tonight.

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

Mr. NUSSLE. Mr. Chairman, I claim the time in opposition, and I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the chairman for the time, and I would like to stress there are two big problems with this approach and reasons that I oppose this amendment.

First of all, with respect to the discretionary spending caps, I commend the gentleman from South Carolina for extending them longer than we have in our bill. I think it is a constructive idea. Unfortunately, he starts off with caps at higher levels so we end up spending considerably more money, not only in the first couple of years, but thereafter as well, and so I have to strongly disagree with that approach on the discretionary spending caps side.

I also want to talk about the change that the gentleman from South Carolina proposes with regards to the PAYGO provisions and specifically the idea that we ought to apply this PAYGO provision to the tax cuts, as well as to the mandatory spending increases, which is what we have in the majority bill.

Now, obviously the superficial appeal of this idea is that both an increase in mandatory spending or a decrease in taxes appear to have the same directional effect on the size of the deficit in the short run. With respect to the government's budget, that is, of course, true, but there is something I think much more important here. The fact is that increasing spending and cutting taxes are not equivalent to the American people because the former, increasing mandatory spending, which we try to control, that slows down economic growth, and it reduces personal freedom, but the latter, cutting taxes, that accelerates economic growth and it expands personal freedom. The difference is just night and day.

In addition to that, the former, which is to say increasing mandatory spending, which we control in our bill, in the absence of that constraint which we impose, then we definitely increase the size of the structural deficit. That is clearly a problem that we are trying to rein in.

On the other hand, as we have seen time and time again, when you lower the tax burden, essentially you do it right by lowering marginal tax rates. You, in fact, improve the deficit picture over the long run as accelerating economic growth and enhancing revenue.

So I would urge my colleagues to reject this amendment and support the underlying bill.

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

Let me just make a couple of comments, and then we have no other speakers, and I would be ready to yield back the balance of our time.

Let me just say, first of all, the gentleman from Pennsylvania said it very well. Let me just underscore a couple of things.

We have had number of votes on the floor, and I understand we may have

yet another one tonight as a motion to recommit with regard to PAYGO for taxes, as it has been called here on the floor, and every time this year we rejected that, and we basically said, look, the only people who pay for taxes are taxpayers. The government does not have to pay for taxes because the government is not the one that pays taxes. It is taxpayers that pay for taxes.

So we have made it very clear that tonight we want to discuss spending, mandatory spending, discretionary spending. That is the reason we apply the PAYGO provisions to mandatory spending, and it is the reason why we set discretionary caps.

What the gentleman from South Carolina (Mr. SPRATT) has done follows that exact rubric. He has a PAYGO provision, but he extends it to revenue; therefore, I would oppose that.

On the discretionary side, he increases spending above the caps where we are now or above the budget resolution by $12.5 billion. In my estimation, that is unnecessary spending at this time. Certainly, as we all know, during the appropriation process many people will come to the floor and suggest that we could spend money on this or we could spend more money on that or we could increase over here or we could increase over there, but again, so many of our colleagues on both sides have talked about restraining spending. I do not believe an increase in the cap is what we need to do.

So I would oppose the amendment. The discretionary cap does not need to be lifted an additional $12.5 billion, number one; and number two, we do not believe that anyone in this country pays for taxes except taxpayers. Therefore, I would oppose the amendment as a substitute.

As I said to the gentleman from South Carolina (Mr. SPRATT), we have no other speakers.

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

□ 2045

Mr. SPRATT. Could the Chair please advise me how much time I have?

The CHAIRMAN pro tempore (Mr. BASS). The gentleman from South Carolina has 8½ minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, once again what we are trying to do here is to cut through all the rhetoric, go through all of these complicated rules, sometimes convoluted rules, and come up with two basic rules, two pragmatic rules that have proven themselves over a period of 10 years to work and work well. Indeed, they were part of the success we enjoyed in the 1990s when we moved the budget from a deficit of $290 billion in 1992 to a surplus of $236 billion in the year 2000.

First of all, we would impose a statutory cap on discretionary spending at a level that we think is realistic. And what do we mean by that? We take current services, basically treading water, with inflationary adjustment, and we add to it the Bush defense budget. But we want to make a point here, and that is this is the totality of domestic nonhomeland discretionary spending in the budget. This is one-sixth of the budget. Wipe it all out, you do not have an FBI, you do not have a court system, you do not have a Park Service, you do not have highways; but you still have a deficit, notwithstanding the fact you have wiped the whole thing out.

If you look back over the last 4 years, what is the source of this spending that everybody is decrying tonight? What you find is it certainly is not domestic nonhomeland security; 383, 382, 383. Now, Mr. Bush said he would like to cut it down to $376 billion. Well and good. This is one of the reasons the appropriators are out here tonight. They are struggling with the attainment of that goal. That saves $7 billion on a deficit that is estimated at over $400 billion next year. That is how much blood you can squeeze out of this turnip.

Where then have the cost increases come from? This chart tells it all. These bar charts show 2001, 2002, 2003, 2004, and they show that 90 to 95 percent of the increase in spending in those four fiscal years occurred in defense, homeland security, and the response to 9/11, not in what we call domestic nondefense discretionary spending. Therefore, the cap will have an effect, but not a great effect.

Basically, what we have done is we have capped nondefense discretionary spending at a current services level. We provided, as I said, realistically for the Bush defense budget for the other half of discretionary spending in the cap we have set.

Complicated chart. It says one thing in particular. When Bush came to office, when the President came to office several years ago, the Bush defense budget, the defense budget for the next 10 years was $3.6 trillion. Today, by our calculation, it is more like $5 trillion. We have seen defense spending go up over that time frame by $1.4 trillion.

And what about revenues? This is where the Bush administration told us revenues would go if we had tax cuts as we did in 2001, 2002 and 2003; that they would follow this blue dotted line. They have not followed the blue dotted line. They have taken a precipitous decline downward over this period of time from over $1 trillion to less than $800 billion in a period of about 3 or 4 fiscal years.

So if you want to solve the problem, you have to get to the source of the problem. You have to go to the budget and look at where the problem exists, and you cannot rule out revenues and expect to resolve a $521 billion estimate. That was the last official estimate we got from OMB of a deficit for this year.

That is why we have, number one, spending caps on discretionary spending at realistic levels that accommodate for defense. Get real. We are not going to be reining in those accounts by any substantial amount in the near future, given our obligations that are still being worked out.

And, secondly, we have acknowledged that revenues are a significant part of the problem. Indeed, when we resolved the problem of the deficit in the 1990s, and CBO looked back on it, they said 48 percent of your success was due to the fact that you were able to enhance revenues, 52 percent was due to the fact you curbed spending. Those two together produced the phenomenal results we enjoyed in the 1950s.

Here it is right here. It can be done. The Clinton administration came to office and outlays were 22 percent of GDP. When he left office, outlays had been reduced to about 18 percent of GDP. Revenues were about 17 to 18 percent of GDP. They were taken up over 20 percent of GDP. And there is the measure of the success in the Clinton administration right there, the $200 billion surplus we have been talking about.

And here is what happened with the Bush administration. Revenues have plummeted and spending outlays have gone up. But outlays are still below historic norms. Revenues, however, are pretty close to historic levels. Income taxes, as a percent of GDP, are about where they were in 1950.

So you have to do all these things to have a successful budget process package, and that is why we suggest to you we have got before you now in this substitute a package of two simple and basic rules which we say to you pragmatically worked, worked phenomenally well, and ought to be reinstated so we can tackle this difficult problem and approach it and try to begin working down the deficit.

I would suggest to the House that this would be the simplest way and the best way to resolve this whole debate. Adopt this substitute and wrap it up by reinstating the PAYGO rule with a double edge applicable to tax cuts and spending increases alike.

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

Mr. NUSSLE. Mr. Chairman, I reserve the balance of my time, and I am prepared to yield back.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding me this time.

We would have liked the opportunity to present an amendment to this bill that teed up cleanly the prospects of pay-as-you-go, including both the revenue and spending sides. Remember, pay-as-you-go on spending. That does not mean anything, because a budget is revenue and a budget is outflow. If you only do outflow without revenue, you will never get to balance. Never get to balance. It is not even a serious effort.

What did they do to the request we had to have a clean vote on it, the request by the Blue Dogs? They did not

make it in order in the Committee on Rules. We have been working the last several hours through 19 amendments. They have made every cockamamie idea under the sun in order. But when we wanted to have a straight pay-as-you-go to address this budget deficit, it was not made in order. It again shows why I believe the underlying bill is not a serious effort in budgeting whatsoever, and the effort put forward by my friend and colleague, the gentleman from South Carolina (Mr. SPRATT), represents an alternative in a bad situation. That is a situation we should support.

Mr. SPRATT. Mr. Chairman, I yield the balance of my time to the gentlewoman from California (Ms. PELOSI), the minority leader.

Ms. PELOSI. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time, but more especially for the excellent leadership that he has provided as the ranking member on the Committee on the Budget, and I thank him for bringing this substitute to the floor.

I think it would be really very important for the American people to understand the standing that the gentleman from South Carolina (Mr. SPRATT) has on this issue. He has, without any inkling of partisanship, addressed the issues of a fiscal soundness for our country and a budget that reflects our values in a way that has been, again, nonpartisan, professional, and responsible. He knows the facts and the figures. He takes responsibility for what he puts forth and will answer and defend the conclusions that he advances. So when he speaks about his own substitute that will lead to reducing the deficit, you can take him at his word. When he introduces this substitute for pay-as-you-go, it is as responsible as it sounds.

Earlier in the debate, on the Obey amendment, one of our Republican colleagues said there is no such thing as a free lunch. This pay-as-you-go budget really validates that statement, because it says in order for us to provide for the needs and the aspirations of the American people, we must do so in a fiscally sound way, and we must not fool ourselves about the consequences of our actions.

You can talk all day about the dynamic, as our Republican colleagues would say, about the dynamic impact of their tax cuts. They have been cutting taxes and cutting taxes and cutting taxes. Democrats like tax cuts too. We wanted to cut the taxes for the middle class. We want to cut the taxes for Americans who will then spend the money and put it back into the economy, injecting demand into the economy, creating jobs, growing the economy to create jobs.

We want to use our investments in our budget to invest in education. There is no better investment that we can make in terms of helping and meeting the needs and aspirations of the American people in terms of educating them, early childhood, K through 12, higher ed, post-graduate and life-time learning. And nothing does more to grow the economy and bring money into the Federal Treasury than to educate the American people.

So the investments that we talk about with pay-as-you-go are investments that bring money into the Treasury, that put tax cuts where they belong, where they will generate jobs and, again, inject demand. The gentleman from South Carolina (Mr. SPRATT) very, very carefully presented to us how the pay-as-you-go, when it was in effect, created a situation where we had zero deficit in 1999. This was not an accident. It was not a fluke. It was part of a plan. It was not a situation where we kept trying one thing and another. It was part of a plan. When the pay-as-you-go expired, we now have returned to these growing deficits; this year, $.5 trillion, a historically large deficit.

So, Mr. Chairman, when the Republicans say that we should subscribe to their reckless economic plan because it is going to create jobs, the success of their economic plan has not hit home for middle-class Americans. Yes, some jobs have been created, but they have been lower-paying jobs than the ones that were lost. The purchasing power of Americans has not increased. In fact, the increase in wages since this spring, since March, has been about a nickel. About a nickel. So that is not an economic policy that has been successful for middle-class Americans.

Their policy about tax cuts has been to go to those who need them least. Most of those people know they do not need the tax cuts and would rather they be investments into our society for educating our children. They do not want to, on top of it all, grow the deficit. We keep feeling the effects of that policy in lost jobs, wages that do not keep pace with inflation, and most dramatically, again, in record budget deficits.

When President Bush took office, as was indicated by the charts the gentleman from South Carolina (Mr. SPRATT) showed, we were on a path to a $5.6 trillion surplus. A $5.6 trillion surplus. Today, the budget deficit is projected to be over $3 trillion over the next 10 years, a $9 trillion fiscal collapse. We now have a deficit again for this year that is more than $.5 trillion for 1 year alone. That is an astounding burden on our children.

□ 2100

We should be giving our children opportunity, not fiscal obligations because of the Republicans' reckless economic policies.

These deficits matter. Federal Reserve Chairman Alan Greenspan has said, ''History suggests that an abandonment of fiscal discipline will eventually push up interest rates, crowd out capital spending, lower productivity growth, and force harder choices upon us in the future.''

Economists agree, deficits are a drag on the economy. Higher deficits mean higher interest rates, which mean families pay more for homes, cars and college tuition. Higher deficits mean lower incomes. And higher deficits mean fewer good-paying jobs.

Our country is at a crossroads on this issue, Mr. Chairman, and today we can choose between two distinct paths. One, as the gentleman from South Carolina suggests, is the road back to fiscal responsibility. The other is the road to fiscal ruin. The road to fiscal responsibility runs right through the Democratic substitute offered by the gentleman from South Carolina, which would put the budget on a pay-as-you-go system in which both tax cuts and spending increases must be paid for, a real pay-as-you-go system.

Alan Greenspan agrees. He recently testified before the Senate Banking Committee that pay-as-you-go should apply to both taxes and spending. These rules were in effect throughout the 1990s, as was mentioned, and they were effective. As a result of these rules, we turned record deficits that we had received into the 1990s into record surpluses as we left the 1990s. We could do it again today. The road to fiscal ruin runs through the unrestrained deficits of the Republican proposal. The Republican bill on the floor today is a sham. It steals the mantle of pay-as-you-go without requiring the discipline that real pay-as-you-go would require. By failing to offset tax cuts, the Republican bill will make the deficit even worse.

The issue is simple: The Democratic pay-as-you-go proposal has a record of success. The Republican approach has a record of deficits. If you want to return to fiscal responsibility, vote for the Democratic substitute on pay-as-you-go.

Mr. Chairman, I again want to salute the gentleman from South Carolina and again commend what he has to say to the American people because he speaks truth about the budget and about the deficit. He knows of what he speaks. He knows the discipline that is needed to reduce the deficit. We are all blessed by his leadership.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

First of all I would say to the very distinguished minority leader that the gentleman from South Carolina is a lot of things. He is a professional. She has hit the nail on the head. I would just quarrel with one comment she made and that is that he is nonpartisan. He is a very effective partisan, I would just say. We get along very well. He does it in a spirit that may appear to be nonpartisan at times, but he is a very effective Democrat and I would never take that away from him. He is a very effective spokesman for their philosophy, for their priorities and while we sometimes disagree, it is okay that he can do it in a partisan way and not a mean way at all, or a disagreeable way.

There are a couple of things I would just like to point out. First of all, the reason we came to balance in 1999 was, as the minority leader said, because we had a plan. That was a plan that was passed by this Congress, this Republican Congress. Second, she said that there were some jobs being created. Well, yes, some 1.4 million jobs since last August alone. If you want to create more of them or if you want to make sure that they get paid better salaries or if you want to make sure that they have more job security, I would just suggest to you that appropriating more money than we have in these huge increases for education, that is not going to increase their salaries.

For our kids, it may help them out and that is why we are increasing education, but that does not create more jobs. It does not increase their salaries. Taxing small business like the proposal that the gentleman from Wisconsin (Mr. OBEY) brought to the floor earlier today that we had the wisdom to defeat does not create jobs. In fact, most of those people that were being taxed under his proposal were those small businesses that are creating those jobs. Last but not least, you do not create jobs by driving businesses overseas with our tax policy in this country and many of the challenges that we have with our economy continuing to drive those businesses overseas to look for opportunities as opposed to allowing them to stay here and be competitive.

Reforming our trade laws and by voting to give the President the ability to go in and negotiate those agreements is something that we need to do.

We do have a plan. We have a budget. It has worked in the past. You do not need a pay-as-you-go rule for taxes for the government to worry about because the people who pay taxes in this country and pay for taxes, who pay as they go with regard to taxes, are taxpayers. Every time you increase taxes, they are the ones that pay. They pay as you go. As you go for more taxes, they pay. That is what we do not need. That is why we oppose the Spratt substitute, even though I can agree with the gentlewoman that he is, by far, someone who is not only very professional, but someone I am very pleased to work with.

I do it as gently as possible, but with obviously a note of partisanship that we often have to have in order to support our different sides of these issues.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to the base bill, H.R. 4663, the Spending Control Act of 2004 and in support of the amendment as proposed by the gentleman from South Carolina. The underlying bill proposes cuts before we even have a budget resolution passed in Congress and is therefore premature.

The bill caps non-emergency discretionary funding for 2005 at $821.5 billion, essentially the same level as in the conference agreement on the budget resolution. The conference agreement contains an additional $50 billion in emergency funding for military operations in Afghanistan and Iraq where we truly need it.

The conference report for this proposal provides $1.3 billion less than what the House Veterans' Affairs Committee says is needed for veterans health care programs for 2005. The allocation to the Appropriations Subcommittee on Veterans-HUD-Independent Agencies is $4.6 billion (4.7 percent) below the amount needed to maintain services at the 2004 level, which could cause deep cuts to veterans' health care.

This Administration must not continue to run up deficits because they cause the government to use the surpluses of the Social Security Trust Fund for other government purposes rather than to pay down the debt and help our Nation prepare for the coming retirement of the Baby Boomers. In essence, every dollar that we add to the Federal debt is a dollar that our children will have to pay back in higher taxes or fewer government benefits in the future.

The GOP PAYGO proposal would increase the Federal debt instead of chip away at it. PAYGO will fail to help our deficit because it exempts tax cuts from the enforcement rules, thereby precipitating the introduction of more tax cuts that will bring us even deeper into the red.

The Spratt Amendment is smart and will undo the mess that our friends on the other side of the aisle have created. It would restore the budget rules that aim to decrease the deficit. Reestablishing the effective PAYGO rules for spending as well as for tax cuts, the philosophy behind this amendment helped to turn record deficits into record surpluses in the 1990's.

Mr. Chairman, we must stop using Social Security surpluses to fund other government programs. We must stop creating more debt for our children to pay off. We must continue the discipline of the budget process.

Since President Bush took office, a projected ten-year surplus of $5.6 trillion has turned into a projected deficit of $2.9 trillion—which is a wrong turn worth $8.5 trillion. The substitutes offered by Rep. MARK KIRK and by Rep. BILL YOUNG include a similar PAYGO provision. the substitute offered by Rep. JEB HENSARLING establishes an equivalent point of order that applies only to mandatory spending, not tax cuts.

The original PAYGO rule that applied to tax cuts as well as spending was instrumental during the 1990s in bringing us from record deficits to record surpluses. The original PAYGO rule was renewed in July 1997 on a bipartisan basis, with a large majority of the House Republicans—including most of the Republican leadership—joining a large majority of House Democrats in voting to extend the PAYGO requirement applying to both tax cuts and mandatory spending.

Tax cuts have played a central role in producing the staggering deficits we now face. The Congressional Budget Office reports that, measured over the 2002–2011 budget window, $2.3 trillion of the fiscal reversal that has occurred since January 2001 has been caused by tax cuts and the debt service that come with them. Extending PAYGO to cover only mandatory spending—as the Republican bill proposes—takes our focus away from the deficit problem.

Mr. Chairman, I would urge my colleagues to support the Spratt Amendment, and I oppose the base bill, H.R. 4663.

Mr. NUSSLE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. BASS). The question is on the amendment in the nature of a substitute offered by the gentleman from South Carolina (Mr. SPRATT).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from South Carolina (Mr. SPRATT) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: amendment No. 6 offered by the gentleman from Illinois (Mr. KIRK), amendment No. 7 offered by the gentleman from Wisconsin (Mr. RYAN), amendment No. 8 offered by the gentleman from Wisconsin (Mr. RYAN), amendment No. 9 offered by the gentleman from Wisconsin (Mr. RYAN), and amendment in the nature of a substitute No. 15 offered by the gentleman from South Carolina (Mr. SPRATT).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 6 OFFERED BY MR. KIRK

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois (Mr. KIRK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 289, noes 121, not voting 23, as follows:

[Roll No. 310]

AYES—289

| | | |
|---|---|---|
| Akin | Bradley (NH) | Chabot |
| Alexander | Brady (TX) | Chandler |
| Bachus | Brown (SC) | Chocola |
| Baird | Brown-Waite, Ginny | Coble |
| Ballenger | Burgess | Cole |
| Barrett (SC) | Burns | Cooper |
| Bartlett (MD) | Burr | Costello |
| Bass | Burton (IN) | Cox |
| Beauprez | Buyer | Cramer |
| Berry | Calvert | Crane |
| Biggert | Camp | Crenshaw |
| Bilirakis | Cannon | Cubin |
| Bishop (UT) | Cantor | Culberson |
| Blackburn | Capito | Cunningham |
| Blumenauer | Capps | Davis (CA) |
| Blunt | Capuano | Davis (FL) |
| Boehlert | Cardoza | Davis (TN) |
| Bonner | Carson (OK) | Davis, Jo Ann |
| Bono | Carter | Deal (GA) |
| Boozman | Case | DeFazio |
| Boswell | Castle | Delahunt |
| Boyd | | DeLay |

DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Eshoo
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Gordon
Graves
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Hill
Hobson
Hoeffel
Hoekstra
Holden
Hooley (OR)
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Lampson
Langevin
Lantos
Larsen (WA)
Latham
Leach
Levin
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Marshall
Matheson
McCarthy (NY)
McCotter
McCrery
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (KS)
Murphy
Musgrave
Myrick
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Pascrell
Pastor
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sanchez, Loretta
Sandlin
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stearns
Stenholm
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wu

NOES—121

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Baker
Baldwin
Becerra
Bell
Berkley
Bishop (GA)
Bishop (NY)
Boehner
Bonilla
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Cardin
Clay
Clyburn
Conyers
Crowley
Cummings
Davis (AL)
Davis (IL)
DeGette
DeLauro
Dicks
Dingell
Doggett
Edwards
Emanuel
Engel
Etheridge
Evans
Everett
Farr
Fattah
Filner
Frank (MA)
Gonzalez
Grijalva
Gutierrez
Hinchey
Hinojosa
Holt
Honda
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Kaptur
Kildee
Kilpatrick
Kucinich
LaHood
Larson (CT)
LaTourette
Lee
Lewis (CA)
Lewis (GA)
Lowey
Markey
Matsui
McCarthy (MO)
McCollum
McGovern
McHugh
Menendez
Millender-McDonald
Moran (VA)
Murtha
Nadler
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Payne
Pelosi
Porter
Quinn
Radanovich
Rahall
Rangel
Reyes
Rodriguez
Rogers (KY)
Roybal-Allard
Ruppersberger
Rush
Sabo
Sánchez, Linda T.
Sanders
Saxton
Schakowsky
Serrano
Simpson
Slaughter
Solis
Stark
Strickland
Thompson (MS)
Towns
Velázquez
Visclosky
Waters
Watson
Waxman
Weiner
Wexler
Whitfield
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—23

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Doyle
Fossella
Gephardt
Goss
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
Kanjorski
Kleczka
McDermott
Meeks (NY)
Mollohan
Rothman
Tauzin
Watt

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BASS) (during the vote). Two minutes remain in this vote.

□ 2133

Mr. SAXTON and Mr. SERRANO changed their vote from ''aye'' to ''no.''

Mrs. NAPOLITANO and Messrs. STUPAK, RYAN of Ohio, CUNNINGHAM, MILLER of North Carolina, PRICE of North Carolina, INSLEE, ROSS, TIAHRT, TIERNEY, GEORGE MILLER of California, KINGSTON, PETRI and DEFAZIO changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 7 OFFERED BY MR. RYAN OF WISCONSIN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 97, noes 312, not voting 24, as follows:

[Roll No. 311]

AYES—97

Akin
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Beauprez
Biggert
Bilirakis
Blackburn
Boehlert
Boehner
Brady (TX)
Brown-Waite, Ginny
Burgess
Burns
Camp
Cardin
Carter
Case
Castle
Chabot
Chocola
Coble
Cole
Crane
Cubin
Davis (FL)
DeMint
Diaz-Balart, M.
Doggett
Duncan
English
Feeney
Flake
Franks (AZ)
Garrett (NJ)
Gibbons
Gillmor
Gingrey
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hensarling
Herger
Hoekstra
Hostettler
Hulshof
Isakson
Johnson, Sam
Jones (NC)
Keller
Kennedy (MN)
King (IA)
Kirk
Kline
Langevin
Linder
Lucas (KY)
Manzullo
Matheson
McInnis
Miller (FL)
Moore
Musgrave
Myrick
Neugebauer
Nussle
Otter
Paul
Pence
Peterson (MN)
Portman
Ramstad
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Souder
Stearns
Stenholm
Tancredo
Terry
Thornberry
Toomey
Upton
Vitter
Walden (OR)
Wilson (SC)

NOES—312

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baldwin
Bass
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Burr
Burton (IN)
Buyer
Calvert
Cannon
Cantor
Capito
Capps
Capuano
Cardoza
Carson (OK)
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart, L.
Dicks
Dingell
Dooley (CA)
Doolittle
Dreier
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Forbes
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gilchrest
Gonzalez
Goode
Goodlatte
Gordon
Graves
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hayes
Hefley
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moran (KS)
Moran (VA)
Murphy
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter

Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh
Wamp
Waters
Watson
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—24

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Cox
Davis, Tom
Deutsch
Doyle
Fossella
Gephardt
Goss
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
Kanjorski
Kleczka
McDermott
Mollohan
Rothman
Schakowsky
Tauzin
Watt

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (during the vote). Two minutes remain in this vote.

□ 2141

Mr. PETRI changed his vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 8 OFFERED BY MR. RYAN OF WISCONSIN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 137, noes 272, not voting 24, as follows:

[Roll No. 312]

AYES—137

Akin
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bishop (UT)
Blackburn
Boehlert
Boehner
Boswell
Bradley (NH)
Brady (TX)
Brown-Waite, Ginny
Burgess
Burns
Burr
Camp
Cannon
Capito
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Coble
Cole
Crane
Cubin
Davis (FL)
Davis (TN)
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doggett
Duncan
Dunn
Feeney
Ferguson
Flake
Foley
Forbes
Franks (AZ)
Gallegly
Garrett (NJ)
Gibbons
Gillmor
Gingrey
Goode
Goodlatte
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hayworth
Hefley
Hensarling
Herger
Herseth
Hill
Hoekstra
Hostettler
Hulshof
Isakson
John
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
Kline
Langevin
Linder
LoBiondo
Lucas (KY)
Manzullo
Matheson
McCrery
McInnis
McIntyre
McKeon
Miller (FL)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Norwood
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Pitts
Putnam
Radanovich
Ramstad
Renzi
Reynolds
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Smith (MI)
Smith (TX)
Smith (WA)
Souder
Stearns
Stenholm
Tancredo
Tanner
Terry
Thornberry
Toomey
Turner (TX)
Upton
Vitter
Walden (OR)
Wilson (NM)
Wilson (SC)

NOES—272

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Bonilla
Bonner
Bono
Boozman
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Burton (IN)
Buyer
Calvert
Cantor
Capps
Capuano
Cardin
Cardoza
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dicks
Dingell
Dooley (CA)
Doolittle
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Gerlach
Gilchrest
Gonzalez
Gordon
Graves
Green (TX)
Grijalva
Gutierrez
Hayes
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson, E. B.
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
Lofgren
Lowey
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (PA)
Petri
Pickering
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Regula
Rehberg
Reyes
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sullivan
Sweeney
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh
Wamp
Waters
Watson
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—24

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Cox
Davis, Tom
Deutsch
Doyle
Fossella
Gephardt
Goss
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
Kanjorski
Kleczka
Lewis (CA)
McDermott
Mollohan
Rothman
Tauzin
Watt

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BASS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 2148

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 9 OFFERED BY MR. RYAN OF WISCONSIN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 174, noes 237, not voting 22, as follows:

[Roll No. 313]

AYES—174

Akin
Alexander
Andrews
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonner
Boozman
Boswell
Boyd
Bradley (NH)
Brady (TX)
Brown-Waite, Ginny
Burns
Burr
Camp
Cannon
Cantor
Capito
Cardin
Cardoza
Case
Castle
Chabot
Chocola
Coble
Cole
Cooper
Cox

Crane
Cubin
Davis (FL)
Davis (TN)
Deal (GA)
DeFazio
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doggett
Dooley (CA)
Duncan
Dunn
Ehlers
English
Etheridge
Feeney
Ferguson
Flake
Foley
Forbes
Franks (AZ)
Frost
Gallegly
Garrett (NJ)
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Gordon
Green (WI)
Greenwood
Gutknecht
Harman
Harris
Hart
Hayworth
Hefley
Hensarling
Herger
Herseth
Hoeffel
Hoekstra
Hooley (OR)
Hostettler
Hoyer
Hulshof
Isakson
Issa
John
Johnson (CT)
Johnson, E. B.
Keller
Kelly
Kennedy (MN)
Kind
King (IA)
Kirk
Kline
Lampson
Langevin
Linder
LoBiondo
Lofgren
Lucas (KY)
Majette
Manzullo
Marshall
Matheson
McCrery
McInnis
McIntyre
McKeon
Miller (FL)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Pence
Peterson (MN)
Petri
Pitts
Platts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Ramstad
Rehberg
Rohrabacher
Ros-Lehtinen
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sandlin
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Spratt
Stearns
Stenholm
Tanner
Taylor (MS)
Terry
Thornberry
Toomey
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Vitter
Walden (OR)
Wilson (NM)
Wilson (SC)

NOES—237

Abercrombie
Ackerman
Aderholt
Allen
Baca
Bachus
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bonilla
Bono
Boucher
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burton (IN)
Buyer
Calvert
Capps
Capuano
Carson (OK)
Carter
Chandler
Clay
Clyburn
Conyers
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Jo Ann
DeGette
Delahunt
DeLauro
DeLay
Dicks
Dingell
Doolittle
Doyle
Dreier
Edwards
Emanuel
Emerson
Engel
Eshoo
Evans
Everett
Farr
Fattah
Filner
Ford
Frank (MA)
Frelinghuysen
Gerlach
Gonzalez
Graves
Green (TX)
Grijalva
Gutierrez
Hall
Hayes
Hill
Hinchey
Hinojosa
Hobson
Holden
Holt
Honda
Houghton
Hunter
Hyde
Inslee
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
LaHood
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
Lowey
Lucas (OK)
Lynch
Maloney
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Peterson (PA)
Pickering
Pomeroy
Quinn
Rahall
Regula
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ross
Roybal-Allard
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Solis
Souder
Stark
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tauscher
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Towns
Van Hollen
Velázquez
Visclosky
Walsh
Wamp
Waters
Watson
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—22

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Fossella
Gephardt
Goss
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
Kleczka
McDermott
Mollohan
Rangel
Rothman
Schiff
Tauzin
Watt

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 2155

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 15 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SPRATT

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment in the nature of a substitute offered by the gentleman from South Carolina (Mr. SPRATT) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment in the nature of a substitute.

The Clerk redesignated the amendment in the nature of a substitute.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 179, noes 233, not voting 21, as follows:

[Roll No. 314]

AYES—179

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Herseth
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Moore
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salnchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velalzquez
Visclosky
Waters
Watson
Waxman
Weiner
Wexler
Wilson (NM)
Woolsey
Wu
Wynn

NOES—233

Aderholt
Akin
Alexander
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Berry
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Carson (OK)
Carter
Castle
Chabot
Chocola
Coble
Cole
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Marshall
Matheson
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy

| | | |
|---|---|---|
| Murtha | Radanovich | Souder |
| Musgrave | Rahall | Stearns |
| Myrick | Ramstad | Stenholm |
| Nethercutt | Regula | Sweeney |
| Neugebauer | Rehberg | Tancredo |
| Ney | Renzi | Tanner |
| Northup | Reynolds | Taylor (MS) |
| Norwood | Rogers (AL) | Taylor (NC) |
| Nunes | Rogers (KY) | Terry |
| Nussle | Rogers (MI) | Thomas |
| Obey | Rohrabacher | Thompson (CA) |
| Osborne | Ros-Lehtinen | Thornberry |
| Ose | Royce | Tiahrt |
| Otter | Ryan (WI) | Tiberi |
| Oxley | Ryun (KS) | Toomey |
| Paul | Saxton | Turner (OH) |
| Pearce | Schrock | Upton |
| Pence | Sensenbrenner | Vitter |
| Peterson (MN) | Sessions | Walden (OR) |
| Peterson (PA) | Shadegg | Walsh |
| Petri | Shaw | Wamp |
| Pickering | Shays | Weldon (FL) |
| Pitts | Sherwood | Weldon (PA) |
| Platts | Shimkus | Weller |
| Pombo | Shuster | Whitfield |
| Porter | Simmons | Wicker |
| Portman | Simpson | Wilson (SC) |
| Pryce (OH) | Smith (MI) | Wolf |
| Putnam | Smith (NJ) | Young (AK) |
| Quinn | Smith (TX) | Young (FL) |

NOT VOTING—21

| | | |
|---|---|---|
| Barton (TX) | Deutsch | Kleczka |
| Bereuter | Fossella | McDermott |
| Berman | Gephardt | Mollohan |
| Cannon | Granger | Rothman |
| Carson (IN) | Hastings (FL) | Sullivan |
| Collins | Hastings (WA) | Tauzin |
| Davis, Tom | Jones (OH) | Watt |

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

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

□ 2202

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. KLECZKA. Mr. Chairman, on rollcall Nos. 310, 311, 312, 313 and 314, had I been present, I would have voted "no" on 310, "no" on 311, "no" on 312, "no" on 313 and "aye" on rollcall 314.,

AMENDMENT NO. 16 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 16 in the nature of a substitute offered by Mr. HENSARLING:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the "Family Budget Protection Act of 2004".

(b) TABLE OF CONTENTS.—


Sec. 1. Short title; table of contents.
Sec. 2. Effective date.

TITLE I—A SIMPLE AND BINDING BUDGET

Subtitle A—Joint Budget Resolutions

Sec. 101. Declaration of purposes for the Budget Act.
Sec. 102. The timetable.
Sec. 103. Annual joint resolutions on the budget.
Sec. 104. Budget required before spending bills may be considered
Sec. 105. Amendments to effectuate joint resolutions on the budget.

Subtitle B—Budgeting for Emergencies

Sec. 111. Purpose.
Sec. 112. Repeal of adjustments for emergencies.
Sec. 113. OMB emergency criteria.
Sec. 114. Development of guidelines for application of emergency definition.
Sec. 115. Reserve fund for emergencies in President's budget.
Sec. 116. Adjustments and reserve fund for emergencies in joint budget resolutions.
Sec. 117. Application of section 306 to emergencies in excess of amounts in reserve fund.
Sec. 118. Up-to-date tabulations.
Sec. 119. Prohibition on amendments to emergency reserve fund.

Subtitle C—Biennial Budget Option

Sec. 121. Effective date.
Sec. 122. Revision of timetable.
Sec. 123. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
Sec. 124. Amendments to Rules of House of Representatives.
Sec. 125. Amendments to title 31, United States Code.
Sec. 126. Two-year appropriations; title and style of appropriation Acts.
Sec. 127. Multiyear authorizations.
Sec. 128. Government strategic and performance plans on a biennial basis.
Sec. 129. Biennial appropriation bills.
Sec. 130. Assistance by Federal agencies to standing committees of the Senate and the House of Representatives.

Subtitle D—Prevention of Government Shutdown

Sec. 141. Amendment to title 31.

Subtitle E—The Baseline

Sec. 151. Elimination of inflation adjustment.
Sec. 152. The President's budget.
Sec. 153. The congressional budget.
Sec. 154. Congressional Budget Office reports to committees.
Sec. 155. Treatment of emergencies.

TITLE II—PUTTING A LID ON THE FEDERAL BUDGET

Subtitle A—Spending Safeguards on the Growth of Entitlements and Mandatories

Sec. 201. Spending caps on growth of entitlements and mandatories.
Sec. 202. Exempt programs and activities.
Sec. 203. Exceptions, limitations, and special rules.
Sec. 204. Point of order.
Sec. 205. Technical and conforming amendments.
Sec. 206. Establishment of Family Budget Protection Mandatory Account.

Subtitle B—Discretionary Spending Limits

Sec. 211. Enforcing discretionary spending limits.
Sec. 212. Establishment of Family Budget Protection Discretionary Account.
Sec. 213. Revenue adjustment.

Subtitle C—Long-term Unfunded Obligations

Sec. 221. Long-term unfunded obligations.
Sec. 222. Points of order.
Sec. 223. Social security.

TITLE III—COMBATING WASTE, FRAUD, AND ABUSE.

Subtitle A—Sunsetting

Sec. 301. Reauthorization of discretionary programs and unearned entitlements.
Sec. 302. Point of order.
Sec. 303. Decennial sunsetting.

Subtitle B—Enhanced Rescissions of Budget Authority Identified by the President as Wasteful Spending

Sec. 311. Enhanced consideration of certain proposed rescissions.

Subtitle C—Commission to Eliminate Waste, Fraud, and Abuse

Sec. 331. Establishment of Commission.
Sec. 332. Duties of the Commission.
Sec. 333. Powers of the Commission.
Sec. 334. Commission personnel matters.
Sec. 335. Termination of the Commission.
Sec. 336. Congressional consideration of reform proposals.
Sec. 337. Authorization of appropriations.

TITLE IV—TRUTH IN ACCOUNTING

Subtitle A—Accrual Funding of Pensions and Retirement Pay for Federal Employees and Uniformed Services Personnel

Sec. 401. Civil Service Retirement System.
Sec. 402. Central Intelligence Agency Retirement and Disability System.
Sec. 403. Foreign Service Retirement and Disability System.
Sec. 404. Public Health Service Commissioned Corps Retirement System.
Sec. 405. National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement System.
Sec. 406. Coast Guard Military Retirement System.

Subtitle B—Accrual Funding of Post-Retirement Health Benefits Costs for Federal Employees

Sec. 411. Federal employees health benefits fund.
Sec. 412. Funding uniformed services health benefits for all retirees.
Sec. 413. Effective date.

Subtitle C—Limit on the Public Debt

Sec. 421. Findings.
Sec. 422. Purpose.
Sec. 423. Limit on public debt.

Subtitle D—Risk-Assumed Budgeting

Sec. 431. Federal insurance programs.

TITLE V—MAINTAINING A COMMITMENT TO THE FAMILY BUDGET

Subtitle A—Further Enforcement Amendments

Sec. 501. Super-majority points of order in the House of Representatives and the Senate.
Sec. 502. Budget resolution enforcement point of order.
Sec. 503. Point of order waiver protection.

Subtitle B—The Byrd Rule

Sec. 511. Limitation on Byrd Rule.

Subtitle C—Treatment of Extraneous Appropriations in Omnibus Appropriation Measures

Sec. 521. Treatment of extraneous appropriations.


**SEC. 2. EFFECTIVE DATE.**

Except as otherwise specifically provided, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act and shall apply with respect to fiscal years beginning after September 30, 2004.

**TITLE I—A SIMPLE AND BINDING BUDGET**

**Subtitle A—Joint Budget Resolutions**

**SEC. 101. DECLARATION OF PURPOSES FOR THE BUDGET ACT.**

Paragraphs (1) and (2) of section 2 of the Congressional Budget and Impoundment Control Act of 1974 are amended to read as follows:

"(1) to assure effective control over the budgetary process;

"(2) to facilitate the determination each year of the appropriate level of Federal revenues and expenditures by the Congress and the President;".

**SEC. 102. THE TIMETABLE.**

Section 300 of the Congressional Budget Act of 1974 is amended to read as follows:

''TIMETABLE

''SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

| "On or before: | Action to be completed: |
|---|---|
| First Monday in February. | President submits his budget. |
| February 15 | Congressional Budget Office submits report to Budget Committees. |
| Not later than 6 weeks after President submits budget. | Committees submit views and estimates to Budget Committees. |
| April 1 | Senate Budget Committee reports joint resolution on the budget. |
| April 15 | Congress completes action on joint resolution on the budget. |
| June 10 | House Appropriations Committee reports last annual appropriation bill. |
| June 15 | Congress completes action on reconciliation legislation. |
| June 30 | House completes action on annual appropriation bills. |
| October 1 | Fiscal year begins.''. |

**SEC. 103. ANNUAL JOINT RESOLUTIONS ON THE BUDGET.**

(a) CONTENT OF ANNUAL JOINT RESOLUTIONS ON THE BUDGET.—Section 301(a)(4) of the Congressional Budget Act of 1974 is amended to read as follows:

''(4) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), and interest; and for emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c));''.

(b) ADDITIONAL MATTERS IN JOINT RESOLUTION.—Section 301(b) of the Congressional Budget Act of 1974 is amended as follows:

(1) Strike paragraphs (2), (4), and (6) through (9).

(2) After paragraph (3), insert ''and'' and redesignate paragraph (5) as paragraph (4) and in such paragraph strike the semicolon and insert a period.

(c) REQUIRED CONTENTS OF REPORT.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A), (B), (C), (D), (E), and (F) as subparagraphs (B), (C), (E), (F), (H), and (I), respectively.

(2) Before subparagraph (B) (as redesignated), insert the following new subparagraph:

''(A) new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to subsection (a)(1);''.

(3) In subparagraph (C) (as redesignated), strike ''mandatory'' and insert ''direct spending''.

(4) After subparagraph (C) (as redesignated), insert the following new subparagraph:

''(D) a measure, as a percentage of gross domestic product, of total outlays, total Federal revenues, the surplus or deficit, and new outlays for nondefense discretionary spending, defense spending, and direct spending as set forth in such resolution;''.

(5) After subparagraph (F) (as redesignated), insert the following new subparagraph:

''(G) if the joint resolution on the budget includes any allocation to a committee other than the Committee on Appropriations of levels in excess of current law levels, a justification for not subjecting any program, project, or activity (for which the allocation is made) to annual discretionary appropriations;''.

(d) ADDITIONAL CONTENTS OF REPORT.—Section 301(e)(3) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, strike subparagraphs (C) and (D), and redesignate subparagraph (E) as subparagraph (D).

(2) Before subparagraph (B), insert the following new subparagraph:

''(A) reconciliation directives described in section 310;''.

(e) PRESIDENT'S BUDGET SUBMISSION TO THE CONGRESS.—(1) The first two sentences of section 1105(a) of title 31, United States Code, are amended to read as follows:

''On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year which shall set forth the following levels:

''(A) totals of new budget authority and outlays;

''(B) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

''(C) the surplus or deficit in the budget;

''(D) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), and interest, and for emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c)); and

''(E) the public debt.

Each budget submission shall include a budget message and summary and supporting information and, as a separately delineated statement, the levels required in the preceding sentence for at least each of the 9 ensuing fiscal years.''.

(2) The third sentence of section 1105(a) of title 31, United States Code, is amended by inserting ''submission'' after ''budget''.

(f) LIMITATION ON CONTENTS OF BUDGET RESOLUTIONS.—Section 305 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(e) LIMITATION ON CONTENTS.—(1) It shall not be in order in the House of Representatives or in the Senate to consider any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter referred to in paragraph (2).

''(2) Any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter not permitted in section 301(a) or (b) shall not be treated in the House of Representatives or the Senate as a budget resolution under subsection (a) or (b) or as a conference report on a budget resolution under subsection (c) of this section.''.

**SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS MAY BE CONSIDERED**

(a) AMENDMENTS TO SECTION 302.—Section 302(a) of the Congressional Budget Act of 1974 is amended by striking paragraph (5).

(b) AMENDMENTS TO SECTION 303 AND CONFORMING AMENDMENTS.—(1) Section 303 of the Congressional Budget Act of 1974 is amended by striking ''(a) IN GENERAL.—'', by striking ''as reported to the House or Senate'', by striking ''to become effective'' in paragraph (1), and by striking subsections (b) and (c); and

(2) by striking its section heading and inserting the following new section heading: ''CONSIDERATION OF BUDGET-RELATED LEGISLATION BEFORE BUDGET BECOMES LAW''.

(c) ADDITIONAL AMENDMENTS.—(1) Section 302(g)(1) of the Congressional Budget Act of 1974 is amended by striking ''and, after April 15, section 303''.

(2)(A) Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''303,'' before ''305(b)(2),''.

(B) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''303,'' before ''305(b)(2),''.

(d) EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET.—(1) Title III of the Congressional Budget Act of 1974 (as amended by section 116) is further amended by adding after section 316 the following new section:

''EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET

''SEC. 317. (a) SPECIAL RULE.—If the President vetoes a joint resolution on the budget for a fiscal year, the majority leader of the House of Representatives or Senate (or his designee) may introduce a concurrent resolution on the budget or joint resolution on the budget for such fiscal year. If the Committee on the Budget of either House fails to report such concurrent or joint resolution referred to it within five calendar days (excluding Saturdays, Sundays, or legal holidays except when that House of Congress is in session) after the date of such referral, the committee shall be automatically discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar.

''(b) PROCEDURE IN THE HOUSE OF REPRESENTATIVES AND THE SENATE.—

''(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the House of Representatives and in the Senate of joint resolutions on the budget and conference reports thereon shall also apply to the consideration of concurrent resolutions on the budget introduced under subsection (a) and conference reports thereon.

''(2) Debate in the Senate on any concurrent resolution on the budget or joint resolution on the budget introduced under subsection (a), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours and in the House such debate shall be limited to not more than 3 hours.

''(c) CONTENTS OF CONCURRENT RESOLUTIONS.—Any concurrent resolution on the budget introduced under subsection (a) shall be in compliance with section 301.

''(d) EFFECT OF CONCURRENT RESOLUTION ON THE BUDGET.—Notwithstanding any other provision of this title, whenever a concurrent resolution on the budget described in subsection (a) is agreed to, then the aggregates, allocations, and reconciliation directives (if any) contained in the report accompanying such concurrent resolution or in such concurrent resolution shall be considered to be the aggregates, allocations, and reconciliation directives for all purposes of sections 302, 303, and 311 for the applicable fiscal years and such concurrent resolution shall be deemed to be a joint resolution for all purposes of this title and the Rules of the House of Representatives and any reference to the date of enactment of a joint resolution on the budget shall be deemed to be a reference to the date agreed to when applied to such concurrent resolution.''.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 316 the following new item:

''Sec. 317. Expedited procedures upon veto of joint resolution on the budget.''.

**SEC. 105. AMENDMENTS TO EFFECTUATE JOINT RESOLUTIONS ON THE BUDGET.**

(a) DEFINITION.—Paragraph (4) of section 3 of the Congressional Budget Act of 1974 is amended to read as follows:

''(4) the term 'joint resolution on the budget' means—

''(A) a joint resolution setting forth the budget for the United States Government for a fiscal year as provided in section 301; and

''(B) any other joint resolution revising the budget for the United States Government for a fiscal year as described in section 304.''.

(b) ADDITIONAL AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.—(1)(A) Sections 301, 302, 303, 305, 308, 310, 311, 312, 314, 405, and 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 et seq.) are amended by striking ''concurrent'' each place it appears and inserting ''joint''.

(B)(i) Sections 302(d), 302(g), 308(a)(1)(A), and 310(d)(1) of the Congressional Budget Act of 1974 are amended by striking ''most recently agreed to concurrent resolution on the budget'' each place it occurs and inserting ''most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)''.

(ii) The section heading of section 301 is amended by striking ''adoption of concurrent resolution'' and inserting ''joint resolutions''; and

(iii) Section 304 of such Act is amended to read as follows:

''PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS

''SEC. 304. At any time after the joint resolution on the budget for a fiscal year has been enacted pursuant to section 301, and before the end of such fiscal year, the two Houses and the President may enact a joint resolution on the budget which revises or reaffirms the joint resolution on the budget for such fiscal year most recently enacted.''.

(C) Sections 302, 303, 310, and 311, of such Act are amended by striking ''agreed to'' each place it appears and by inserting ''enacted''.

(2)(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''concurrent'' each place it appears and by inserting ''joint''.

(B) The table of contents set forth in section 1(b) of such Act is amended—

(i) in the item relating to section 301, by striking ''adoption of concurrent resolution'' and inserting ''joint resolutions'';

(ii) by striking the item relating to section 303 and inserting the following:

''Sec. 303. Consideration of budget-related legislation before budget becomes law.'';

(iii) by striking ''concurrent'' and inserting ''joint'' in the item relating to section 305.

(c) CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.—Clauses 1(e)(1), 4(a)(4), 4(b)(2), 4(f)(1)(A), and 4(f)(2) of rule X, clause 10 of rule XVIII, and clause 10 of rule XX of the Rules of the House of Representatives are amended by striking ''concurrent'' each place it appears and inserting ''joint''.

(d) CONFORMING AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 258C(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907d(b)(1)) is amended by striking ''concurrent'' and inserting ''joint''.

(e) CONFORMING AMENDMENTS TO SECTION 310 REGARDING RECONCILIATION DIRECTIVES.—(1) The side heading of section 310(a) of the Congressional Budget Act of 1974 (as amended by section 105(b)) is further amended by inserting ''JOINT EXPLANATORY STATEMENT ACCOMPANYING CONFERENCE REPORT ON'' before ''JOINT''.

(2) Section 310(a) of such Act is amended by striking ''A'' and inserting ''The joint explanatory statement accompanying the conference report on a''.

(3) The first sentence of section 310(b) of such Act is amended by striking ''If'' and inserting ''If the joint explanatory statement accompanying the conference report on''.

(4) Section 310(c)(1) of such Act is amended by inserting ''the joint explanatory statement accompanying the conference report on'' after ''pursuant to''.

(f) CONFORMING AMENDMENTS TO SECTION 3 REGARDING DIRECT SPENDING.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11) The term 'direct spending' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

## Subtitle B—Budgeting for Emergencies

**SEC. 111. PURPOSE.**

The purposes of this subtitle are to—

(1) develop budgetary and fiscal procedures for emergencies;

(2) subject spending for emergencies to budgetary procedures and controls; and

(3) establish criteria for determining compliance with emergency requirements.

**SEC. 112. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.**

(a) ELIMINATION OF EMERGENCY DESIGNATION.—Sections 251(b)(2)(A), 252(e), and 252(d)(4)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 are repealed.

(b) ELIMINATION OF EMERGENCY ADJUSTMENTS.—Section 314(b) of the Congressional Budget Act of 1974 is amended by striking paragraph (1) and by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(c) CONFORMING AMENDMENT.—Clause 2 of rule XXI of the Rules of the House of Representatives is amended by repealing paragraph (e) and by redesignating paragraph (f) as paragraph (e).

**SEC. 113. OMB EMERGENCY CRITERIA.**

DEFINITION OF EMERGENCY.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 (as amended by section 105(e)) is further amended by adding at the end the following new paragraph:

''(12)(A) The term 'emergency' means a situation that—

''(i) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

''(ii) is unanticipated.

''(B) As used in subparagraph (A), the term 'unanticipated' means that the situation is—

''(i) sudden, which means quickly coming into being or not building up over time;

''(ii) urgent, which means a pressing and compelling need requiring immediate action;

''(iii) unforeseen, which means not predicted or anticipated as an emerging need; and

''(iv) temporary, which means not of a permanent duration.''.

(b) CONFORMING AMENDMENT.—The term 'emergency' has the meaning given to such term in section 3 of the Congressional Budget and Impoundment Control Act of 1974.''.

**SEC. 114. DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.**

Not later than 5 months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(12) of the Congressional Budget and Impoundment Control Act of 1974.

**SEC. 115. RESERVE FUND FOR EMERGENCIES IN PRESIDENT'S BUDGET.**

Section 1105(f) of title 31, United States Code is amended by adding at the end the following new sentences: ''Such budget submission shall also comply with the requirements of subsections (b) and (c) of section 316 of the Congressional Budget Act of 1974 and, in the case of any budget authority requested for an emergency, such submission shall include a detailed justification of why such emergency is an emergency within the meaning of section 3(12) of the Congressional Budget Act of 1974.''.

**SEC. 116. ADJUSTMENTS AND RESERVE FUND FOR EMERGENCIES IN JOINT BUDGET RESOLUTIONS.**

(a) EMERGENCIES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''EMERGENCIES

''SEC. 316. (a) ADJUSTMENTS.—

''(1) IN GENERAL.—After the reporting of a bill or joint resolution or the submission of a conference report thereon that provides budget authority for any emergency as identified pursuant to subsection (d) that is not covered by subsection (c)—

''(A) the chairman of the Committee on the Budget of the House of Representatives or the Senate shall determine and certify, pursuant to the guidelines referred to in section 114 of the Family Budget Protection Act of 2004, the portion (if any) of the amount so specified that is for an emergency within the meaning of section 3(12); and

''(B) such chairman shall make the adjustment set forth in paragraph (2) for the amount of new budget authority (or outlays) in that measure and the outlays flowing from that budget authority.

''(2) MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to the allocations made pursuant to the appropriate joint resolution on the budget pursuant to section 302(a) and shall be in an amount not to exceed the amount reserved for emergencies pursuant to the requirements of subsection (b).

''(b) RESERVE FUND FOR NONMILITARY EMERGENCIES.—The amount set forth in the reserve fund for emergencies for budget authority and outlays for a fiscal year pursuant to section 301(a)(4) shall equal—

''(1) the average of the enacted levels of budget authority for emergencies (other than those covered by subsection (c)) in the 5 fiscal years preceding the current year; and

''(2) the average of the levels of outlays for emergencies in the 5 fiscal years preceding the current year flowing from the budget authority referred to in paragraph (1), but only in the fiscal year for which such budget authority first becomes available for obligation.

''(c) TREATMENT OF EMERGENCIES TO FUND CERTAIN MILITARY OPERATIONS.—Whenever the Committee on Appropriations reports any bill or joint resolution that provides budget authority for any emergency that is a threat to national security and the funding of which carries out a military operation authorized by a declaration of war or a joint resolution authorizing the use of military force (or economic assistance funding in furtherance of such operation) and the report accompanying that bill or joint resolution, pursuant to subsection (d), identifies any provision that increases outlays or provides budget authority (and the outlays flowing therefrom) for such emergency, the enactment of which would cause the total amount

of budget authority or outlays provided for emergencies for the budget year in the joint resolution on the budget (pursuant to section 301(a)(4)) to be exceeded:

''(A) Such bill or joint resolution shall be referred to the Committee on the Budget of the House or the Senate, as the case may be, with instructions to report it without amendment, other than that specified in subparagraph (B), within 5 legislative days of the day in which it is reported from the originating committee. If the Committee on the Budget of either House fails to report a bill or joint resolution referred to it under this subparagraph within such 5-day period, the committee shall be automatically discharged from further consideration of such bill or joint resolution and such bill or joint resolution shall be placed on the appropriate calendar.

''(B) An amendment to such a bill or joint resolution referred to in this subsection shall only consist of an exemption from section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 of all or any part of the provisions that provide budget authority (and the outlays flowing therefrom) for such emergency if the committee determines, pursuant to the guidelines referred to in section 114 of the Family Budget Protection Act of 2004, that such budget authority is for an emergency within the meaning of section 3(12).

''(C) If such a bill or joint resolution is reported with an amendment specified in subparagraph (B) by the Committee on the Budget of the House of Representatives or the Senate, then the budget authority and resulting outlays that are the subject of such amendment shall not be included in any determinations under section 302(f) or 311(a) for any bill, joint resolution, amendment, motion, or conference report.

''(d) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines referred to in section 114 of the Family Budget Protection Act of 2004.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

''Sec. 316. Emergencies.''.

**SEC. 117. APPLICATION OF SECTION 306 TO EMERGENCIES IN EXCESS OF AMOUNTS IN RESERVE FUND.**

Section 306 of the Congressional Budget Act of 1974 is amended by inserting at the end the following new sentence: ''No amendment reported by the Committee on the Budget (or from the consideration of which such committee has been discharged) pursuant to section 316(c) may be amended.''.

**SEC. 118. UP-TO-DATE TABULATIONS.**

Section 308(b)(2) of the Congressional Budget Act of 1974 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(D) shall include an up-to-date tabulation of amounts remaining in the reserve fund for emergencies.''.

**SEC. 119. PROHIBITION ON AMENDMENTS TO EMERGENCY RESERVE FUND.**

(a) POINT OF ORDER.—Section 305 of the Congressional Budget Act of 1974 (as amended by section 103(f)) is further amended by adding at the end the following new subsection:

''(f) POINT OF ORDER REGARDING EMERGENCY RESERVE FUND.—It shall not be in order in the House of Representatives or in the Senate to consider an amendment to a joint resolution on the budget which changes the amount of budget authority and outlays set forth in section 301(a)(4) for emergency reserve fund.''.

(b) TECHNICAL AMENDMENT.—(1) Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''305(e), 305(f),'' after ''305(c)(4),''.

(2) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''305(e), 305(f),'' after ''305(c)(4),''.

## Subtitle C—Biennial Budget Option

**SEC. 121. EFFECTIVE DATE.**

If—

(1) as part of the President's budget submission under section 1105(a) of title 31, United States Code, during the first session of any Congress, the President includes a request that the joint resolution on the budget that will be considered during the first session of the next Congress be for a biennium consisting of two consecutive fiscal years; and

(2) the joint resolution on the budget for the fiscal year to which the President's submission relates contains a provision stating that the joint resolution on the budget that will be considered during the first session of the next Congress shall be for a biennium consisting of two consecutive fiscal years;

then the provisions of this subtitle shall take effect on January 1 of the calendar year in which that next Congress commences and apply to that Congress and each Congress thereafter.

**SEC. 122. REVISION OF TIMETABLE.**

Section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

''TIMETABLE

''SEC. 300. (a) IN GENERAL.—Except as provided by subsection (b), the timetable with respect to the congressional budget process for any Congress (beginning with the One Hundred Tenth Congress or a subsequent Congress, as applicable) is as follows:

| "On or before: | "First Session Action to be completed: |
|---|---|
| First Monday in February. | President submits budget recommendations. |
| February 15 | Congressional Budget Office submits report to Budget Committees. |
| Not later than 6 weeks after budget submission. | Committees submit views and estimates to Budget Committees. |
| April 1 | Budget Committees report joint resolution on the biennial budget. |
| May 15 | Congress completes action on joint resolution on the biennial budget. |
| May 15 | Biennial appropriation bills may be considered in the House. |
| June 10 | House Appropriations Committee reports last biennial appropriation bill. |
| June 30 | House completes action on biennial appropriation bills. |
| October 1 | Biennium begins. |

| "On or before: | "Second Session Action to be completed: |
|---|---|
| February 15 | President submits budget review. |
| Not later than 6 weeks after President submits budget review. | Congressional Budget Office submits report to Budget Committees. |
| The last day of the session. | Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium. |

''(b) SPECIAL RULE.—In the case of any first session of Congress that begins in any year during which the term of a President (except a President who succeeds himself) begins, the following dates shall supersede those set forth in subsection (a):

| "On or before: | "First Session Action to be completed: |
|---|---|
| First Monday in April | President submits budget recommendations. |
| April 20 | Committees submit views and estimates to Budget Committees. |
| May 15 | Budget Committees report joint resolution on the biennial budget. |
| June 1 | Congress completes action on joint resolution on the biennial budget. |
| June 1 | Biennial appropriation bills may be considered in the House. |
| July 1 | House Appropriations Committee reports last biennial appropriation bill. |
| July 20 | House completes action on biennial appropriation bills. |
| October 1 | Biennium begins.''. |

**SEC. 123. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.**

(a) DECLARATION OF PURPOSE.—Section 2(2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621(2)) is amended by striking ''each year'' and inserting ''biennially''.

(b) DEFINITIONS.—

(1) BUDGET RESOLUTION.—Section 3(4) of such Act (2 U.S.C. 622(4)) is amended by striking ''fiscal year'' each place it appears and inserting ''biennium''.

(2) BIENNIUM.—Section 3 of such Act (2 U.S.C. 622) (as amended by section 111(a)) is further amended by adding at the end the following new paragraph:

''(13) The term 'biennium' means the period of 2 consecutive fiscal years beginning on October 1 of any odd-numbered year.''.

(c) BIENNIAL JOINT RESOLUTION ON THE BUDGET.—

(1) CONTENTS OF RESOLUTION.—Section 301(a) of such Act (2 U.S.C. 632(a)) is amended—

(A) in the matter preceding paragraph (1) by—

(i) striking ''April 15 of each year'' and inserting ''May 15 of each odd-numbered year'';

(ii) striking ''the fiscal year beginning on October 1 of such year'' the first place it appears and inserting ''the biennium beginning on October 1 of such year'';

(iii) striking ''the fiscal year beginning on October 1 of such year'' the second place it appears and inserting ''each fiscal year in such period''; and

(iv) striking ''each of the four ensuing fiscal years'' and inserting ''each fiscal year in the next 2 bienniums'';

(B) in paragraph (6), by striking ''for the fiscal year'' and inserting ''for each fiscal year in the biennium''; and

(C) in paragraph (7), by striking ''for the fiscal year'' and inserting ''for each fiscal year in the biennium''.

(2) ADDITIONAL MATTERS.—Section 301(b) of such Act (2 U.S.C. 632(b)) is amended—

(A) in paragraph (3), by striking ''for such fiscal year'' and inserting ''for either fiscal year in such biennium''; and

(B) in paragraph (7), by striking ''for the first fiscal year'' and inserting ''for each fiscal year in the biennium''.

(3) VIEWS OF OTHER COMMITTEES.—Section 301(d) of such Act (2 U.S.C. 632(d)) is amended by inserting ''(or, if applicable, as provided by section 300(b))'' after ''United States Code''.

(4) HEARINGS.—Section 301(e)(1) of such Act (2 U.S.C. 632(e)) is amended by—

(A) striking ''fiscal year'' and inserting ''biennium''; and

(B) inserting after the second sentence the following: ''On or before April 1 of each odd-numbered year (or, if applicable, as provided by section 300(b)), the Committee on the Budget of each House shall report to its House the joint resolution on the budget referred to in subsection (a) for the biennium beginning on October 1 of that year.''.

(5) GOALS FOR REDUCING UNEMPLOYMENT.—Section 301(f) of such Act (2 U.S.C. 632(f)) is amended by striking ''fiscal year'' each place it appears and inserting ''biennium''.

(6) ECONOMIC ASSUMPTIONS.—Section 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is amended by striking ''for a fiscal year'' and inserting ''for a biennium''.

(7) SECTION HEADING.—The section heading of section 301 of such Act is amended by striking ''**ANNUAL**'' and inserting ''**BIENNIAL**''.

(8) TABLE OF CONTENTS.—The item relating to section 301 in the table of contents set forth in section 1(b) of such Act is amended by striking ''Annual'' and inserting ''Biennial''.

(d) COMMITTEE ALLOCATIONS.—Section 302 of such Act (2 U.S.C. 633) is amended—

(1) in subsection (a)(1) by—

(A) striking ''for the first fiscal year of the resolution,'' and inserting ''for each fiscal year in the biennium,'';

(B) striking ''for that period of fiscal years'' and inserting ''for all fiscal years covered by the resolution''; and

(C) striking ''for the fiscal year of that resolution'' and inserting ''for each fiscal year in the biennium'';

(2) in subsection (f)(1), by striking ''for a fiscal year'' and inserting ''for a biennium'';

(3) in subsection (f)(1), by striking ''first fiscal year'' and inserting ''either fiscal year of the biennium'';

(4) in subsection (f)(2)(A), by—

(A) striking ''first fiscal year'' and inserting ''each fiscal year of the biennium''; and

(B) striking ''the total of fiscal years'' and inserting ''the total of all fiscal years covered by the resolution''; and

(5) in subsection (g)(1)(A), by striking ''April'' and inserting ''May''.

(e) SECTION 303 POINT OF ORDER.—Section 303 of such Act (2 U.S.C. 634(a)) is amended by striking ''for a fiscal year'' and inserting ''for a biennium'' and by striking ''the first fiscal year'' and inserting ''each fiscal year of the biennium''.

(f) PERMISSIBLE REVISIONS OF JOINT RESOLUTIONS ON THE BUDGET.—Section 304 of such Act (2 U.S.C. 635) is amended—

(1) by striking ''fiscal year'' the first two places it appears and inserting ''biennium'';

(2) by striking ''for such fiscal year''; and

(3) by inserting before the period ''for such biennium''.

(g) PROCEDURES FOR CONSIDERATION OF BUDGET RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C. 636(b)(3)) is amended by striking ''fiscal year'' and inserting ''biennium''.

(h) COMPLETION OF HOUSE COMMITTEE ACTION ON APPROPRIATION BILLS.—Section 307 of such Act (2 U.S.C. 638) is amended—

(1) by striking ''each year'' and inserting ''each odd-numbered year (or, if applicable, as provided by section 300(b), July 1)'';

(2) by striking ''annual'' and inserting ''biennial'';

(3) by striking ''fiscal year'' and inserting ''biennium''; and

(4) by striking ''that year'' and inserting ''each odd-numbered year''.

(i) QUARTERLY BUDGET REPORTS.—Section 308 of such Act (2 U.S.C. 639) is amended by adding at the end the following new subsection:

''(d) QUARTERLY BUDGET REPORTS.—The Director of the Congressional Budget Office shall, as soon as practicable after the completion of each quarter of the fiscal year, prepare an analysis comparing revenues, spending, and the deficit or surplus for the current fiscal year to assumptions included in the congressional budget resolution. In preparing this report, the Director of the Congressional Budget Office shall combine actual budget figures to date with projected revenue and spending for the balance of the fiscal year. The Director of the Congressional Budget Office shall include any other information in this report that it deems useful for a full understanding of the current fiscal position of the Government. The reports mandated by this subsection shall be transmitted by the Director to the Senate and House Committees on the Budget, and the Congressional Budget Office shall make such reports available to any interested party upon request.''.

(j) COMPLETION OF HOUSE ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 640) is amended—

(1) by striking ''It'' and inserting ''Except whenever section 300(b) is applicable, it'';

(2) by inserting ''of any odd-numbered calendar year'' after ''July'';

(3) by striking ''annual'' and inserting ''biennial''; and

(4) by striking ''fiscal year'' and inserting ''biennium''.

(k) RECONCILIATION PROCESS.—Section 310 of such Act (2 U.S.C. 641) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''any fiscal year'' and inserting ''any biennium'';

(2) in subsection (a)(1), by striking ''such fiscal year'' each place it appears and inserting ''any fiscal year covered by such resolution''; and

(3) by striking subsection (f) and redesignating subsection (g) as subsection (f).

(l) SECTION 311 POINT OF ORDER.—

(1) IN THE HOUSE.—Section 311(a)(1) of such Act (2 U.S.C. 642(a)) is amended—

(A) by striking ''for a fiscal year'' and inserting ''for a biennium'';

(B) by striking ''the first fiscal year'' each place it appears and inserting ''either fiscal year of the biennium''; and

(C) by striking ''that first fiscal year'' and inserting ''each fiscal year in the biennium''.

(2) IN THE SENATE.—Section 311(a)(2) of such Act is amended—

(A) in subparagraph (A), by striking ''for the first fiscal year'' and inserting ''for either fiscal year of the biennium''; and

(B) in subparagraph (B)—

(i) by striking ''that first fiscal year'' the first place it appears and inserting ''each fiscal year in the biennium''; and

(ii) by striking ''that first fiscal year and the ensuing fiscal years'' and inserting ''all fiscal years''.

(3) SOCIAL SECURITY LEVELS.—Section 311(a)(3) of such Act is amended by—

(A) striking ''for the first fiscal year'' and inserting ''each fiscal year in the biennium''; and

(B) striking ''that fiscal year and the ensuing fiscal years'' and inserting ''all fiscal years''.

(m) MAXIMUM DEFICIT AMOUNT POINT OF ORDER.—Section 312(c) of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended—

(1) by striking ''for a fiscal year'' and inserting ''for a biennium'';

(2) in paragraph (1), by striking ''first fiscal year'' and inserting ''either fiscal year in the biennium'';

(3) in paragraph (2), by striking ''that fiscal year'' and inserting ''either fiscal year in the biennium''; and

(4) in the matter following paragraph (2), by striking ''that fiscal year'' and inserting ''the applicable fiscal year''.

**SEC. 124. AMENDMENTS TO RULES OF HOUSE OF REPRESENTATIVES.**

(a) Clause 4(a)(1)(A) of rule X of the Rules of the House of Representatives is amended by inserting ''odd-numbered'' after ''each''.

(b) Clause 4(a)(4) of rule X of the Rules of the House of Representatives is amended by striking ''fiscal year'' and inserting ''biennium''.

(c) Clause 4(b)(2) of rule X of the Rules of the House of Representatives is amended by striking ''each fiscal year'' and inserting ''the biennium''.

(d) Clause 4(b) of rule X of the Rules of the House of Representatives is amended by striking ''and'' at the end of subparagraph (5), by striking the period and inserting ''; and'' at the end of subparagraph (6), and by adding at the end the following new subparagraph:

''(7) use the second session of each Congress to study issues with long-term budgetary and economic implications, which would include—

''(A) hold hearings to receive testimony from committees of jurisdiction to identify problem areas and to report on the results of oversight; and

''(B) by January 1 of each odd-number year, issuing a report to the Speaker which identifies the key issues facing the Congress in the next biennium.''.

(e) Clause 4(e) of rule X of the Rules of the House of Representatives is amended by striking ''annually'' each place it appears and inserting ''biennially'' and by striking ''annual'' and inserting ''biennial''.

(f) Clause 4(f) of rule X of the Rules of the House of Representatives is amended—

(1) by inserting ''during each odd-numbered year'' after ''submits his budget'';

(2) by striking ''fiscal year'' the first place it appears and inserting ''biennium''; and

(3) by striking ''that fiscal year'' and inserting ''each fiscal year in such ensuing biennium''.

(g) Clause 11(i) of rule X of the Rules of the House of Representatives is amended by striking ''during the same or preceding fiscal year''.

(h) Clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives is amended by striking ''five'' both places it appears and inserting ''six''.

(i) Clause 5(a)(1) of rule XIII of the Rules of the House of Representatives is amended by striking ''fiscal year after September 15 in the preceding fiscal year'' and inserting ''biennium after September 15 of the calendar year in which such biennium begins''.

**SEC. 125. AMENDMENTS TO TITLE 31, UNITED STATES CODE.**

(a) DEFINITION.—Section 1101 of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(3) 'biennium' has the meaning given to such term in paragraph (13) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(13)).''.

(b) BUDGET CONTENTS AND SUBMISSION TO THE CONGRESS.—

(1) SCHEDULE.—The matter preceding paragraph (1) in section 1105(a) of title 31, United States Code, is amended to read as follows:

''(a) On or before the first Monday in February of each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974), beginning with the One Hundred Tenth Congress or a subsequent Congress (as applicable), the President shall submit to the Congress the budget for the biennium beginning on October 1 of such calendar year. The budget transmitted under this subsection shall include a budget message and summary and supporting information. The President shall include in each budget the following:''.

(2) EXPENDITURES.—Section 1105(a)(5) of title 31, United States Code, is amended by striking ''the fiscal year for which the budget is submitted and the 4 fiscal years after that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years''.

(3) RECEIPTS.—Section 1105(a)(6) of title 31, United States Code, is amended by striking ''the fiscal year for which the budget is submitted and the 4 fiscal years after that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years''.

(4) BALANCE STATEMENTS.—Section 1105(a)(9)(C) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(5) GOVERNMENT FUNCTIONS AND ACTIVITIES.—Section 1105(a)(12) of title 31, United States Code, is amended in subparagraph (A), by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(6) ALLOWANCES.—Section 1105(a)(13) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(7) ALLOWANCES FOR UNANTICIPATED AND UNCONTROLLABLE EXPENDITURES.—Section 1105(a)(14) of title 31, United States Code, is amended by striking ''that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted''.

(8) TAX EXPENDITURES.—Section 1105(a)(16) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(9) ESTIMATES FOR FUTURE YEARS.—Section 1105(a)(17) of title 31, United States Code, is amended—

(A) by striking ''the fiscal year following the fiscal year'' and inserting ''each fiscal year in the biennium following the biennium'';

(B) by striking ''that following fiscal year'' and inserting ''each such fiscal year''; and

(C) by striking ''fiscal year before the fiscal year'' and inserting ''biennium before the biennium''.

(10) PRIOR YEAR OUTLAYS.—Section 1105(a)(18) of title 31, United States Code, is amended—

(A) by striking ''the prior fiscal year,'' and inserting ''each of the 2 most recently completed fiscal years,'';

(B) by striking ''for that year'' and inserting ''with respect to those fiscal years''; and

(C) by striking ''in that year'' and inserting ''in those fiscal years''.

(11) PRIOR YEAR RECEIPTS.—Section 1105(a)(19) of title 31, United States Code, is amended—

(A) by striking ''the prior fiscal year'' and inserting ''each of the 2 most recently completed fiscal years'';

(B) by striking ''for that year'' and inserting ''with respect to those fiscal years''; and

(C) by striking ''in that year'' each place it appears and inserting ''in those fiscal years''.

(c) ESTIMATED EXPENDITURES OF LEGISLATIVE AND JUDICIAL BRANCHES.—Section 1105(b) of title 31, United States Code, is amended by striking ''each year'' and inserting ''each even-numbered year''.

(d) RECOMMENDATIONS TO MEET ESTIMATED DEFICIENCIES.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking ''the fiscal year for'' the first place it appears and inserting ''each fiscal year in the biennium for'';

(2) by striking ''the fiscal year for'' the second place it appears and inserting ''each fiscal year of the biennium, as the case may be,''; and

(3) by striking ''that year'' and inserting ''for each year of the biennium''.

(e) CAPITAL INVESTMENT ANALYSIS.—Section 1105(e)(1) of title 31, United States Code, is amended by striking ''ensuing fiscal year'' and inserting ''biennium to which such budget relates''.

(f) SUPPLEMENTAL BUDGET ESTIMATES AND CHANGES.—

(1) IN GENERAL.—Section 1106(a) of title 31, United States Code, is amended—

(A) in the matter preceding paragraph (1), by—

(i) inserting ''and before February 15 of each even-numbered year'' after ''Before July 16 of each year''; and

(ii) striking ''fiscal year'' and inserting ''biennium'';

(B) in paragraph (1), by striking ''that fiscal year'' and inserting ''each fiscal year in such biennium'';

(C) in paragraph (2), by striking ''4 fiscal years following the fiscal year'' and inserting ''4 fiscal years following the biennium''; and

(D) in paragraph (3), by striking ''fiscal year'' and inserting ''biennium''.

(2) CHANGES.—Section 1106(b) of title 31, United States Code, is amended by—

(A) striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''; and

(B) inserting ''and before February 15 of each even-numbered year'' after ''Before July 16 of each year''.

(g) CURRENT PROGRAMS AND ACTIVITIES ESTIMATES.—

(1) THE PRESIDENT.—Section 1109(a) of title 31, United States Code, is amended—

(A) by striking ''On or before the first Monday after January 3 of each year (on or before February 5 in 1986)'' and inserting ''At the same time the budget required by section 1105 is submitted for a biennium''; and

(B) by striking ''the following fiscal year'' and inserting ''each fiscal year of such period''.

(2) JOINT ECONOMIC COMMITTEE.—Section 1109(b) of title 31, United States Code, is amended by striking ''March 1 of each year'' and inserting ''within 6 weeks of the President's budget submission for each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974)''.

(h) YEAR-AHEAD REQUESTS FOR AUTHORIZING LEGISLATION.—Section 1110 of title 31, United States Code, is amended by—

(1) striking ''May 16'' and inserting ''March 31''; and

(2) striking ''year before the year in which the fiscal year begins'' and inserting ''calendar year preceding the calendar year in which the biennium begins''.

**SEC. 126. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE OF APPROPRIATION ACTS.**

Section 105 of title 1, United States Code, is amended to read as follows:

**''§ 105. Title and style of appropriations Acts**

''(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: 'An Act making appropriations (here insert the object) for each fiscal year in the biennium of fiscal years (here insert the fiscal years of the biennium).'.

''(b) All Acts making regular appropriations for the support of the Government shall be enacted for a biennium and shall specify the amount of appropriations provided for each fiscal year in such period.

''(c) For purposes of this section, the term 'biennium' has the same meaning as in section 3(13) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(13)).''.

**SEC. 127. MULTIYEAR AUTHORIZATIONS.**

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 (as amended by section 116(a)) is further amended by adding at the end the following new section:

''MULTIYEAR AUTHORIZATIONS OF APPROPRIATIONS

''SEC. 318. (a) It shall not be in order in the House of Representatives or the Senate to consider any measure that contains a specific authorization of appropriations for any purpose unless the measure includes such a specific authorization of appropriations for that purpose for not less than each fiscal year in one or more bienniums.

''(b)(1) For purposes of this section, a specific authorization of appropriations is an authorization for the enactment of an amount of appropriations or amounts not to exceed an amount of appropriations (whether stated as a sum certain, as a limit, or as such sums as may be necessary) for any purpose for a fiscal year.

''(2) Subsection (a) does not apply with respect to an authorization of appropriations for a single fiscal year for any program, project, or activity if the measure containing that authorization includes a provision expressly stating the following: 'Congress finds that no authorization of appropriation will be required for [Insert name of applicable program, project, or activity] for any subsequent fiscal year.'.

''(c) For purposes of this section, the term 'measure' means a bill, joint resolution, amendment, motion, or conference report.''.

(b) AMENDMENT TO TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 317 the following new item:

''Sec. 318. Multiyear authorizations of appropriations.''.

**SEC. 128. GOVERNMENT STRATEGIC AND PERFORMANCE PLANS ON A BIENNIAL BASIS.**

(a) STRATEGIC PLANS.—Section 306 of title 5, United States Code, is amended—

(1) in subsection (a), by striking ''September 30, 1997'' and inserting ''September 30, 2007'';

(2) in subsection (b)—

(A) by striking ''at least every three years'' and all that follows thereafter and inserting ''at least every 4 years, except that strategic plans submitted by September 30, 2007, shall be updated and revised by September 30, 2010''; and

(B) by striking ''five years forward'' and inserting ''six years forward''; and

(3) in subsection (c), by inserting a comma after ''section'' the second place it appears and adding ''including a strategic plan submitted by September 30, 2007, meeting the requirements of subsection (a)''.

(b) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Paragraph (28) of section 1105(a) of title 31, United States Code, is amended by striking ''beginning with fiscal year 1999, a'' and inserting ''beginning with fiscal year 2010, a biennial''.

(c) PERFORMANCE PLANS.—Section 1115 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in the matter before paragraph (1)—

(i) by striking ''section 1105(a)(29)'' and inserting ''section 1105(a)(28)''; and

(ii) by striking ''an annual'' and inserting ''a biennial'';

(B) in paragraph (1) by inserting after ''program activity'' the following: ''for both years 1 and 2 of the biennial plan'';

(C) in paragraph (5) by striking ''and'' after the semicolon;

(D) in paragraph (6) by striking the period and inserting a semicolon; and inserting ''and'' after the inserted semicolon; and

(E) by adding after paragraph (6) the following:

''(7) cover each fiscal year of the biennium beginning with the first fiscal year of the next biennial budget cycle.'';

(2) in subsection (d) by striking ''annual'' and inserting ''biennial''; and

(3) in paragraph (6) of subsection (f) by striking ''annual'' and inserting ''biennial''.

(d) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Section 9703 of title 31, United States Code, relating to managerial accountability, is amended—

(1) in subsection (a)—

(A) in the first sentence by striking ''annual''; and

(B) by striking ''section 1105(a)(29)'' and inserting ''section 1105(a)(28)'';

(2) in subsection (e)—

(A) in the first sentence by striking ''one or'' before ''two years'';

(B) in the second sentence by striking ''a subsequent year'' and inserting ''for a subsequent 2-year period''; and

(C) in the third sentence by striking ''three'' and inserting ''four''.

(e) STRATEGIC PLANS.—Section 2802 of title 39, United States Code, is amended—

(1) in subsection (a), by striking ''September 30, 1997'' and inserting ''September 30, 2007'';

(2) in subsection (b), by striking ''at least every three years'' and inserting ''at least every 4 years except that strategic plans submitted by September 30, 2007, shall be updated and revised by September 30, 2010'';

(3) in subsection (b), by striking ''five years forward'' and inserting ''six years forward''; and

(4) in subsection (c), by inserting a comma after ''section'' the second place it appears and inserting ''including a strategic plan submitted by September 30, 2007, meeting the requirements of subsection (a)''.

(f) PERFORMANCE PLANS.—Section 2803(a) of title 39, United States Code, is amended—

(1) in the matter before paragraph (1), by striking ''an annual'' and inserting ''a biennial'';

(2) in paragraph (1), by inserting after ''program activity'' the following: ''for both years 1 and 2 of the biennial plan'';

(3) in paragraph (5), by striking ''and'' after the semicolon;

(4) in paragraph (6), by striking the period and inserting ''; and''; and

(5) by adding after paragraph (6) the following:

''(7) cover each fiscal year of the biennium beginning with the first fiscal year of the next biennial budget cycle.''.

(g) COMMITTEE VIEWS OF PLANS AND REPORTS.—Section 301(d) of the Congressional Budget Act (2 U.S.C. 632(d)) is amended by adding at the end ''Each committee of the Senate or the House of Representatives shall review the strategic plans, performance plans, and performance reports, required under section 306 of title 5, United States Code, and sections 1115 and 1116 of title 31, United States Code, of all agencies under the jurisdiction of the committee. Each committee may provide its views on such plans or reports to the Committee on the Budget of the applicable House.''.

**SEC. 129. BIENNIAL APPROPRIATION BILLS.**

(a) IN THE HOUSE OF REPRESENTATIVES.—Clause 2(a) of rule XXI of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:

''(3)(A) Except as provided by subdivision (B), an appropriation may not be reported in a general appropriation bill (other than a supplemental appropriation bill), and may not be in order as an amendment thereto, unless it provides new budget authority or establishes a level of obligations under contract authority for each fiscal year of a biennium.

''(B) Subdivision (A) does not apply with respect to an appropriation for a single fiscal year for any program, project, or activity if the bill or amendment thereto containing that appropriation includes a provision expressly stating the following: 'Congress finds that no additional funding beyond one fiscal year will be required and the [Insert name of applicable program, project, or activity] will be completed or terminated after the amount provided has been expended.'.

''(C) For purposes of paragraph (b), the statement set forth in subdivision (B) with respect to an appropriation for a single fiscal year for any program, project, or activity may be included in a general appropriation bill or amendment thereto.''.

(b) CONFORMING AMENDMENT.—Clause 5(b)(1) of rule XXII of the House of Representatives is amended by striking ''or (c)'' and inserting ''or (3) or 2(c)''.

**SEC. 130. ASSISTANCE BY FEDERAL AGENCIES TO STANDING COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.**

(a) INFORMATION REGARDING AGENCY APPROPRIATIONS REQUESTS.—To assist each standing committee of the House of Representatives and the Senate in carrying out its responsibilities, the head of each Federal agency which administers the laws or parts of laws under the jurisdiction of such committee shall provide to such committee such studies, information, analyses, reports, and assistance as may be requested by the chairman and ranking minority member of the committee.

(b) INFORMATION REGARDING AGENCY PROGRAM ADMINISTRATION.—To assist each standing committee of the House of Representatives and the Senate in carrying out its responsibilities, the head of any agency shall furnish to such committee documentation, containing information received, compiled, or maintained by the agency as part of the operation or administration of a program, or specifically compiled pursuant to a request in support of a review of a program, as may be requested by the chairman and ranking minority member of such committee.

(c) SUMMARIES BY COMPTROLLER GENERAL.—Within thirty days after the receipt of a request from a chairman and ranking minority member of a standing committee having jurisdiction over a program being reviewed and studied by such committee under this section, the Comptroller General of the United States shall furnish to such committee summaries of any audits or reviews of such program which the Comptroller General has completed during the preceding six years.

(d) CONGRESSIONAL ASSISTANCE.—Consistent with their duties and functions under law, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Director of the Congressional Research Service shall continue to furnish (consistent with established protocols) to each standing committee of the House of Representatives or the Senate such information, studies, analyses, and reports as the chairman and ranking minority member may request to assist the committee in conducting reviews and studies of programs under this section.

**Subtitle D—Prevention of Government Shutdown**

**SEC. 141. AMENDMENT TO TITLE 31.**

(a) IN GENERAL.—Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

**''§ 1311. Continuing appropriations**

''(a)(1) If any regular appropriation bill for a fiscal year (or, if applicable, for each fiscal year in a biennium) does not become law before the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

''(A) in the corresponding regular appropriation Act for such preceding fiscal year; or

''(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

''(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

''(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year;

''(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year;

''(C) the rate of operations provided for in the regular appropriation bill as passed by the House of Representatives or the Senate for the fiscal year in question, except that the lower of these two versions shall be ignored for any project or activity for which there is a budget request if no funding is provided for that project or activity in either version; or

''(D) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year or any funding levels established under the provisions of this Act.

''(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

''(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be; or

''(B) the last day of such fiscal year.

''(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

''(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such project or activity during the portion of such fiscal year for which this section applies to such project or activity.

''(d) Expenditures made for a project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such project or activity for such period becomes law.

''(e) This section shall not apply to a project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

''(1) makes an appropriation, makes funds available, or grants authority for such project or activity to continue for such period; or

''(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such project or activity to continue for such period.

''(f) For purposes of this section, the term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

''(1) Agriculture, rural development, Food and Drug Administration, and related agencies programs.

''(2) The Departments of Commerce, Justice, and State, the Judiciary, and related agencies.

''(3) The Department of Defense.

''(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

''(5) Energy and water development.

''(6) Foreign operations, export financing, and related programs.

''(7) The Department of Homeland Security.

''(8) The Department of the Interior and related agencies.

''(9) The Departments of Labor, Health and Human Services, and Education, and related agencies.

''(10) The Legislative Branch.

''(11) Military construction, family housing, and base realignment and closure for the Department of Defense.

''(12) The Departments of Transportation and Treasury, and independent agencies.

''(13) The Departments of Veterans Affairs and Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.''.

(b) CLERICAL AMENDMENT.—The analysis of chapter 13 of title 31, United States Code, is amended by inserting after the item relating to section 1310 the following new item:

''1311. Continuing appropriations.''.

### Subtitle E—The Baseline

**SEC. 151. ELIMINATION OF INFLATION ADJUSTMENT.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (1) by striking ''for inflation as specified in paragraph (5),''; and

(2) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5).

**SEC. 152. THE PRESIDENT'S BUDGET.**

(a) Paragraph (5) of section 1105(a) of title 31, United States Code, is amended to read as follows:

''(5) except as provided in subsection (b) of this section, estimated expenditures and appropriations for the current year and estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years following that year, and, except for detailed budget estimates, the percentage change from the current year to the fiscal year for which the budget is submitted for estimated expenditures and for appropriations.''.

(b) Section 1105(a)(6) of title 31, United States Code, is amended to read as follows:

''(6) estimated receipts of the Government in the current year and the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—

''(A) laws in effect when the budget is submitted; and

''(B) proposals in the budget to increase revenues,

and the percentage change (in the case of each category referred to in subparagraphs (A) and (B)) between the current year and the fiscal year for which the budget is submitted and between the current year and each of the 9 fiscal years after the fiscal year for which the budget is submitted.''.

(c) Section 1105(a)(12) of title 31, United States Code, is amended to read as follows:

''(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

''(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted;

''(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect; and

''(C) the estimated amount for the same activity or function, if any, in the current fiscal year,

and, except for detailed budget estimates, the percentage change (in the case of each category referred to in subparagraphs (A), (B), and (C)) between the current year and the fiscal year for which the budget is submitted.''.

(d) Section 1105(a)(18) of title 31, United States Code, is amended by inserting ''new budget authority and'' before ''budget outlays''.

(e) Section 1105(a) of title 31, United States Code, is amended by adding at the end the following new paragraphs:

''(35) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.

''(36) a table on sources of growth in total direct spending under current law and as proposed in this budget submission for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.''.

(f) Section 1109(a) of title 31, United States Code, is amended by inserting after the first sentence the following new sentence: ''For discretionary spending, these estimates shall assume the levels set forth in the discretionary spending limits under section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted, for the appropriate fiscal years (and if no such limits are in effect, these estimates shall assume the adjusted levels for the most recent fiscal year for which such levels were in effect).''.

**SEC. 153. THE CONGRESSIONAL BUDGET.**

Section 301(e) of the Congressional Budget Act of 1974 (as amended by section 103) is further amended—

(1) in paragraph (1), by inserting at the end the following: ''The basis of deliberations in developing such joint resolution shall be the estimated budgetary levels for the preceding fiscal year. Any budgetary levels pending before the committee and the text of the joint resolution shall be accompanied by a document comparing such levels or such text to the estimated levels of the prior fiscal year. Any amendment offered in the committee that changes a budgetary level and is based upon a specific policy assumption for a program, project, or activity shall be accompanied by a document indicating the estimated amount for such program, project, or activity in the current year.''; and

(2) in paragraph (2), by striking ''and'' at the end of subparagraph (H) (as redesignated), by striking the period and inserting ''; and'' at the end of subparagraph (I) (as redesignated), and by adding at the end the following new subparagraph:

''(J) a comparison of levels for the current fiscal year with proposed spending and revenue levels for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function.''.

**SEC. 154. CONGRESSIONAL BUDGET OFFICE REPORTS TO COMMITTEES.**

(a) The first sentence of section 202(e)(1) of the Congressional Budget Act of 1974 is amended by inserting ''compared to comparable levels for the current year'' before the comma at the end of subparagraph (A) and before the comma at the end of subparagraph (B).

(b) Section 202(e)(1) of the Congressional Budget Act of 1974 is amended by inserting after the first sentence the following new sentence: ''Such report shall also include a table on sources of spending growth in total direct spending for the budget year and the ensuing 4 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.''.

(c) Section 308(a)(1)(B) of the Congressional Budget Act of 1974 is amended by inserting ''and shall include a comparison of those levels to comparable levels for the current fiscal year'' before ''if timely submitted''.

**SEC. 155. TREATMENT OF EMERGENCIES.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by section 151) is further amended by adding at the end the following new paragraph:

''(7) EMERGENCIES.—Budgetary resources for emergencies shall be at the level provided in the reserve fund for emergencies for that fiscal year pursuant to section 301(a)(4) of the Congressional Budget Act of 1974.''.

## TITLE II—PUTTING A LID ON THE FEDERAL BUDGET

### Subtitle A—Spending Safeguards on the Growth of Entitlements and Mandatories

**SEC. 201. SPENDING CAPS ON GROWTH OF ENTITLEMENTS AND MANDATORIES.**

(a) CONTROL OF ENTITLEMENTS AND MANDATORIES.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

**''SEC. 252A. ENFORCING CONTROLS ON DIRECT SPENDING.**

''(a) CAP ON GROWTH OF ENTITLEMENTS.—Effective for fiscal year 2005 and for each ensuing fiscal year, the total level of direct spending for all direct spending programs, projects, and activities (excluding social security) for any such fiscal year shall not exceed the total level of spending for all such programs, projects, and activities for the previous fiscal year after the direct spending

for each such program, project, or activity is increased by the higher of the change in the Consumer Price Index for All Urban Consumers or the inflator (if any) applicable to that program, project, or activity and the growth in eligible population for such, project, or activity.

''(b) SEQUESTRATION.—Within 15 days after Congress adjourns to end a session (other than of the second session of the One Hundred Eighth Congress), and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to reduce the amount of direct spending for the fiscal year beginning in the year the Congress adjourns by any amount necessary to reduce such spending to the level set forth in subsection (a) unless that amount is less than $250,000,000.

''(c) UNIFORM REDUCTIONS; LIMITATIONS.—The amount required to be sequestered for the fiscal year under subsection (a) shall be obtained from nonexempt direct spending accounts by actions taken in the following order:

''(1) FIRST.—The reductions in the programs specified in section 256(a) (National Wool Act and special milk), section 256(b) (student loans), and section 256(c) (foster care and adoption assistance) shall be made.

''(2) SECOND.—Any additional reductions that may be required shall be achieved by reducing each remaining nonexempt direct spending account by the uniform percentage necessary to achieve those additional reductions, except that—

''(A) the low-income programs specified in section 256(d) shall not be reduced by more than 2 percent;

''(B) the retirement and veterans benefits specified in sections 256(f), (g), and (h) shall not be reduced by more than 2 percent in the manner specified in that section; and

''(C) the medicare programs shall not be reduced by more than 2 percent in the manner specified in section 256(i).

The limitations set forth in subparagraphs (A), (B), and (C) shall be applied iteratively, and after each iteration the uniform percentage applicable to all other programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the reductions required by this paragraph.

''(d) EXCLUSION OF MEDICARE PRESCRIPTION DRUG PROGRAM UNTIL FULLY OPERATIONAL.—For purposes of this section with respect to the limitation under subsection (a) for a fiscal year before fiscal year 2008, direct spending programs and direct spending shall not be construed to include part D of title XVIII of the Social Security Act (or spending under part C of such title that is attributable to such part D).''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents set forth in 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after the item relating to section 252 the following new item:

''Sec. 252A. Enforcing controls on direct spending.''.

**SEC. 202. EXEMPT PROGRAMS AND ACTIVITIES.**

Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**''SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.**

''(a) SOCIAL SECURITY BENEFITS; TIER I RAILROAD RETIREMENT BENEFITS; AND CERTAIN MEDICARE BENEFITS.—(1) Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, and benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall be exempt from reduction under any order issued under this part.

''(2) Payments made under part A of title XVIII (relating to part A medicare hospital insurance benefits) of the Social Security Act and payments made under part C of such title (relating to the Medicare Advantage program) insofar as they are attributable to part A of such title shall be exempt from reduction under any order issued under this part.

''(b) DESCRIPTIONS AND LISTS.—The following budget accounts or activities shall be exempt from sequestration:

''(1) net interest;

''(2) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(3) all payments from one Federal direct spending budget account to another Federal budget account; and all intragovernmental funds including those from which funding is derived primarily from other Government accounts, except to the extent that such funds are augmented by direct appropriations for the fiscal year for which the order is in effect;

''(4) activities resulting from private donations, bequests, or voluntary contributions to the Government;

''(5) payments from any revolving fund or trust-revolving fund (or similar activity) that provides deposit insurance or other Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(6) credit liquidating and financing accounts;

''(7) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed:

''Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

''Armed Forces Retirement Home Trust Fund, payment of claims (84–8930–0–7–705);

''Bureau of Indian Affairs, miscellaneous payments to Indians (14–2303–0–1–452);

''Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

''Claims, defense;

''Claims, judgments, and relief act (20–1895–0–1–806);

''Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);

''Compensation of the President (11–0001–0–1–802);

''Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

''Eastern Indian land claims settlement fund (14–2202–0–1–806);

''Farm Credit Administration, Limitation on Administration Expenses (78–4131–0–3–351);

''Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

''Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

''Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

''Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

''Payments to copyright owners (03–5175–0–2–376);

''Payments to health care trust funds (75–0580–0–1–571);

''Payments to social security trust funds (75–0404–0–1–651);

''Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

''Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801);

''Pension Benefit Guaranty Corporation Fund (16–4204–0–3–601);

''Salaries of Article III judges;

''Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401);

''(8) the following noncredit special, revolving, or trust-revolving funds:

''Coinage profit fund (20–5811–0–2–803);

''Comptroller of the Currency;

''Director of the Office of Thrift Supervision;

''Exchange Stabilization Fund (20–4444–0–3–155);

''Federal Housing Finance Board;

''Foreign Military Sales trust fund (11–82232–0–7–155);

''National Credit Union Administration, central liquidating facility (25–4470–0–3–373);

''National Credit Union Administration, credit union insurance fund (25–4468–0–3–373);

''National Credit Union Administration operating fund (25–4056–0–3–373); and

''Resolution Trust Corporation Revolving Fund (22–4055–0–3–373);

''(9) Thrift Savings Fund;

''(10) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(11)(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act; and

''(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account; and

''(12)(A) FDIC, Bank Insurance Fund (51–4064–0–3–373);

''(B) FDIC, FSLIC Resolution Fund (51–4065–0–3–373); and

''(C) FDIC, Savings Association Insurance Fund (51–4066–0–3–373).

''(c) FEDERAL RETIREMENT AND DISABILITY ACCOUNTS.—The following Federal retirement and disability accounts shall be exempt from reduction under any order issued under this part:

''Civil service retirement and disability fund (24–8135–0–7–602).

''Black Lung Disability Trust Fund (20–8144–0–7–601).

''Foreign Service Retirement and Disability Fund (19–8186–0–7–602).

''District of Columbia Judicial Retirement and Survivors Annuity Fund (20–8212–0–7–602).

''Judicial Survivors' Annuities Fund (10–8110–0–7–602).

''Payments to the Railroad Retirement Accounts (60–0113–0–1–601).

''Tax Court Judges Survivors Annuity Fund (23–8115–0–7–602).

''Employees Life Insurance Fund (24–8424–0–8–602).

''(d) FEDERAL ADMINISTRATIVE EXPENSES.—

''(1) Notwithstanding any provision of law other than paragraph (3), administrative expenses incurred by the departments and agencies, including independent agencies, of the Government in connection with any program, project, activity, or account shall be subject to reduction pursuant to any sequestration order, without regard to any exemption, exception, limitation, or special rule otherwise applicable with respect to such program, project, activity, or account, and regardless of whether the program, project, activity, or account is self-supporting and does not receive appropriations.

''(2) Payments made by the Government to reimburse or match administrative costs incurred by a State or political subdivision under or in connection with any program, project, activity, or account shall not be considered administrative expenses of the Government for purposes of this section, and shall be subject to sequestration to the extent (and only to the extent) that other payments made by the Government under or in connection with that program, project, activity, or account are subject to that reduction or sequestration; except that Federal payments made to a State as reimbursement of administrative costs incurred by that State under or in connection with the unemployment compensation programs specified in subsection (a)(11) shall be subject to reduction or sequestration under this part notwithstanding the exemption otherwise granted to such programs under that subsection.

''(3) Notwithstanding any other provision of law, the administrative expenses of the following programs shall be exempt from sequestration:

''(A) Comptroller of the Currency.

''(B) Federal Deposit Insurance Corporation.

''(C) Office of Thrift Supervision.

''(D) National Credit Union Administration.

''(E) National Credit Union Administration, central liquidity facility.

''(F) Federal Retirement Thrift Investment Board.

''(G) Resolution Funding Corporation.

''(H) Resolution Trust Corporation.

''(I) Board of Governors of the Federal Reserve System.

''(e) VETERANS' PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

''General Post Funds (36–8180–0–7–705).

''Veterans Insurance and Indemnities (36–0120–0–1–701).

''Service-Disabled Veterans Insurance Funds (36–4012–0–3–701).

''Veterans Reopened Insurance Fund (36–4010–0–3–701).

''Servicemembers' Group Life Insurance Fund (36–4009–0–3–701).

''Post-Vietnam Era Veterans Education Account (36–8133–0–7–702).

''National Service Life Insurance Fund (36–8132–0–7–701).

''United States Government Life Insurance Fund (36–8150–0–7–701).

''Veterans Special Life Insurance Fund (36–8455–0–8–701).

''(f) OPTIONAL EXEMPTION OF DEFENSE AND HOMELAND SECURITY ACCOUNTS.—

''(1) IN GENERAL.—The President may, with respect to any defense or homeland security account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

''(2) LIMITATION.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.''.

**SEC. 203. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

(a) IN GENERAL.—Section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**''SEC. 256. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

''(a) NATIONAL WOOL ACT AND THE SPECIAL MILK PROGRAM.—Automatic spending increases are increases in outlays due to changes in indexes in the following programs:

''(1) National Wool Act; and

''(2) Special milk program.

In those programs all amounts other than the automatic spending increases shall be exempt from reduction under any sequestration order.

''(b) STUDENT LOANS.—For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect as required by section 252 or 253, origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.

''(c) FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS.—Any sequestration order shall make the reduction otherwise required under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance payment rates or adoption assistance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction to the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments attributable to the increases taking effect during that year. No State's matching payments from the Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage. No State may, after the date of the enactment of this Act, make any change in the timetable for making payments under a State plan approved under part E of title IV of the Social Security Act which has the effect of changing the fiscal year in which expenditures under such part are made.

''(d) LOW-INCOME PROGRAMS.—(1) Benefit payments or payments to States or other entities for the programs listed in paragraph (2) shall not be reduced by more than 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs referred to in paragraph (1) are the following:

''Child Nutrition (12–3539–0–1–605).

''Food Stamp Programs (12–3505–0–1–605).

''Grants to States for Medicaid (75–0512–0–1–551).

''State Children's Health Insurance Fund (75–0515–0–1–551).

''Supplemental Security Income Program (75–0406–0–1–609).

''Temporary Assistance for Needy Families (75–1552–0–1–609).

''Special supplemental nutrition program for women, infants, and children (WIC) (12–3510–0–1–605).

''(e) VETERANS' MEDICAL CARE.—The maximum permissible reduction in budget authority for Veterans' medical care (36–0160–0–1–703) for any fiscal year, pursuant to an order issued under section 254, shall be 2 percent.

''(f) FEDERAL RETIREMENT PROGRAMS.—

''(1) For each of the programs listed in paragraph (2) and except as provided in paragraph (3), monthly (or other periodic) benefit payments shall be reduced by the uniform percentage applicable to direct spending sequestrations for such programs, which shall in no case exceed 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January or 7 weeks after the order is issued, whichever is later. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs subject to paragraph (1) are:

''Central Intelligence Agency Retirement and Disability Fund (56–3400–0–1–054).

''Comptrollers General Retirement System (05–0107–0–1–801) Payments to the Foreign Service Retirement and Disability Fund (72–1036–0–1–153).

''Judicial Officers' Retirement Fund (10–8122–0–7–602).

''Claims Judges' Retirement Fund (10–8124–0–7–602).

''Pensions for former Presidents (47–0105–0–1–802).

''National Oceanic and Atmospheric Administration Retirement (13–1450–0–1–306).

''Railroad Industry Pension Fund (60–8011–0–7–601).

''Retired pay, Coast Guard (70–0602–0–1–403).

''Retirement pay and medical benefits for commissioned officers, Public Health Service (75–0379–0–1–551).

''Payments to Civil Service Retirement and Disability Fund (24–0200–0–1–805).

''Payments to the Foreign Service Retirement and Disability Fund (72–1036–0–1–153).

''Payments to Judiciary Trust Funds (10–0941–0–1–752).

''(g) VETERANS PROGRAMS.—To achieve the total percentage reduction required by any order issued under this part, the percentage reduction that shall apply to payments under the following programs shall in no event exceed 2 percent:

''Canteen Service Revolving Fund (36–4014–0–3–705).

''Medical Center Research Organizations (36–4026–0–3–703).

''Disability Compensation Benefits (36–0102–0–1–701).

''Education Benefits (36–0137–0–1–702).

''Vocational Rehabilitation and Employment Benefits (36–0135–0–1–702).

''Pensions Benefits (36–0154–0–1–701).

''Burial Benefits (36–0139–0–1–701).

''Guaranteed Transitional Housing Loans For Homeless Veterans Program Account (36–1119–0–1–704).

''Housing Direct Loan Financing Account (36–4127–0–1–704).

''Housing Guaranteed Loan Financing Account (36–4129–0–3–704).

''Vocational Rehabilitation and Education Direct Loan Financing Account (36–4259–0–3–702).

''(h) MILITARY HEALTH AND RETIREMENT.—To achieve the total percentage reduction in military retirement required by any order issued under this part, the percentage reduction that shall apply to payments under the Military retirement fund (97–8097–0–7–602), payments to the military retirement fund (97–0040–0–1–054), and the Defense Health Program (97–0130–0–1–051) shall in no event exceed 2 percent.

''(i) MEDICARE PROGRAM.—

''(1) CALCULATION OF REDUCTION IN INDIVIDUAL PAYMENT AMOUNTS.—To achieve the total percentage reduction in those programs required by any order issued under this part, the percentage reduction that shall apply to payments under the health insurance programs under title XVIII of the Social Security Act (other than payments described in section 255(a)(2)) that are subject to such order for services furnished after any sequestration order is issued shall be such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that fiscal year as determined on a 12-month basis. However, the percentage reduction

under any such program shall in no case exceed 2 percent under any sequestration order.

''(2) TIMING OF APPLICATION OF REDUCTIONS.—If a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order.

''(3) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made under paragraph (1) for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

''(4) APPLICATION TO PARTS C AND D.—The reductions otherwise required under parts C and D of title XVIII of the Social Security Act with respect to a fiscal year shall be applied to the calendar year that begins after the end of the fiscal year to which the applicable sequestration order applies.

''(j) FEDERAL PAY.—

''(1) IN GENERAL.—For purposes of any order issued under section 254, new budget authority to pay Federal personnel shall be reduced by the applicable uniform percentage, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military pay to which any individual is entitled under title 37, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'statutory pay system' shall have the meaning given that term in section 5302(1) of title 5, United States Code.

''(B) The term 'elements of military pay' means—

''(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code,

''(ii) allowances provided members of the uniformed services under sections 403a and 405 of such title, and

''(iii) cadet pay and midshipman pay under section 203(c) of such title.

''(C) The term 'uniformed services' shall have the meaning given that term in section 101(3) of title 37, United States Code.

''(k) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in expenditures under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

''(l) EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly benefit payment made under the Federal-State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under an order issued under this title by a percentage not to exceed the percentage by which the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

''(2) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1954.

''(m) COMMODITY CREDIT CORPORATION.—

''(1) POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

''(2) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—(A) Payments and loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time any sequestration order has been issued shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after any sequestration order is issued for a fiscal year, any cash payments made by the Commodity Credit Corporation—

''(i) under the terms of any one-year contract entered into in or after such fiscal year and after the issuance of the order; and

''(ii) out of an entitlement account,

to any person (including any producer, lender, or guarantee entity) shall be subject to reduction under the order.

''(B) Each contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A) shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of any sequestration order, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for succeeding crops of the commodity, under the authority provided in paragraph (3).

''(3) DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—Notwithstanding any other provision of this title, if any sequestration order is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (2) may provide for reductions in outlays for the account involved to occur in the fiscal years following the fiscal year to which the order applies.

''(4) UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.—All reductions described in paragraph (2) that are required to be made in connection with any sequestration order with respect to a fiscal year—

''(A) shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order; and

''(B) with respect to commodity price support and income protection programs, shall be made in such manner and under such procedures as will attempt to ensure that—

''(i) uncertainty as to the scope of benefits under any such program is minimized;

''(ii) any instability in market prices for agricultural commodities resulting from the reduction is minimized; and

''(iii) normal production and marketing relationships among agricultural commodities (including both contract and non-contract commodities) are not distorted.

In meeting the criterion set out in clause (iii) of subparagraph (B) of the preceding sentence, the President shall take into consideration that reductions under an order may apply to programs for two or more agricultural commodities that use the same type of production or marketing resources or that are alternative commodities among which a producer could choose in making annual production decisions.

''(5) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this title shall limit or reduce in any way any appropriation that provides the Commodity Credit Corporation with funds to cover the Corporation's net realized losses.

''(n) POSTAL SERVICE FUND.—Notwithstanding any other provision of law, any sequestration of the Postal Service Fund shall be accomplished by a payment from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall make the full amount of that payment during the fiscal year to which the presidential sequestration order applies.

''(o) EFFECTS OF SEQUESTRATION.—The effects of sequestration shall be as follows:

''(1) Budgetary resources sequestered from any account other than an entitlement trust, special, or revolving fund account shall revert to the Treasury and be permanently canceled.

''(2) Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

''(3) Administrative regulations or similar actions implementing a sequestration shall be made within 120 days of the sequestration order. To the extent that formula allocations differ at different levels of budgetary resources within an account, program, project, or activity, the sequestration shall be interpreted as producing a lower total appropriation, with that lower appropriation being obligated as though it had been the pre-sequestration appropriation and no sequestration had occurred.

''(4) Except as otherwise provided, obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years.

''(5) If an automatic spending increase is sequestered, the increase (in the applicable index) that was disregarded as a result of that sequestration shall not be taken into account in any subsequent fiscal year.

''(6) Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by amending the item relating to section 256 to read as follows:

''Sec. 256. Exceptions, limitations, and special rules.''.

**SEC. 204. POINT OF ORDER.**

(a) ENTITLEMENT POINT OF ORDER.—Section 312 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(g) ENTITLEMENT POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that—

''(1) increases aggregate level of direct spending for any ensuing fiscal year or

''(2) includes any provision that has the effect of modifying the application of section 252A of the Balanced Budget and Emergency Deficit Control Act of 1985 to any entitlement program subject to sequestration or exempt from sequestration under such Act.''.

**SEC. 205. TECHNICAL AND CONFORMING AMENDMENTS.**

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 251(a)(1) is amended by inserting '', section 252A,'' after ''section 252''.

(2) Section 254(c)(4)(B) is amended by inserting ''or section 252A'' after ''section 252''.

(3) Section 254(c) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

''(A) The total level of direct spending for all programs, projects, and activities (excluding social security).

''(B) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to comply with section 252A.''.

(4) Section 254(f) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

''(4) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the direct spending control sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequesterable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each outyear for direct spending programs.''.

(5) Section 258C(a)(1) is amended by inserting '', 252A,'' after ''section 252''.

**SEC. 206. ESTABLISHMENT OF FAMILY BUDGET PROTECTION MANDATORY ACCOUNT.**

(a) BUDGET PROTECTION MANDATORY ACCOUNT.—Title III of the Congressional Budget Act of 1974 (as amended by section 521) is further amended by adding at the end the following new sections:

''BUDGET PROTECTION MANDATORY ACCOUNT

''SEC. 320. (a) ESTABLISHMENT OF ACCOUNT.—The chairman of the Committee on the Budget of the House of Representatives and of the Senate shall each maintain an account to be known as the 'Budget Protection Mandatory Account'. The Account shall be divided into entries corresponding to the House or Senate committees, as applicable, that received allocations under section 302(a) in the most recently adopted concurrent resolution on the budget, except that it shall not include the Committee on Appropriations of that House and each entry shall consist of the 'First Year Budget Protection Balance' and the 'Five Year Budget Protection Balance'.

''(b) COMPONENTS.—Each entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

''(c) CREDITING OF AMOUNTS TO ACCOUNT.—(1) Whenever a Member or Senator, as the case may be, offers an amendment to a bill that reduces the amount of mandatory budget authority provided either under current law or proposed to be provided by the bill under consideration, that Member or Senator may state the portion of such reduction achieved in the first year covered by the most recently adopted concurrent resolution on the budget and in addition the portion of such reduction achieved in the first five years covered by the most recently adopted concurrent resolution on the budget that shall be—

''(A) credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance in the House or Senate, as applicable;

''(B) used to offset an increase in other new budget authority;

''(C) allowed to remain within the applicable section 302(a) allocation; or

''(D) used to offset a decrease in receipts.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance, as applicable, if the amendment is agreed to.

''(2) Except as provided by paragraph (3), the chairman of the Committee on the Budget of the House or Senate, as applicable, shall, upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, credit to the applicable entry balances amounts of new budget authority and outlays equal to the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by that House to that bill.

''(3) When computing the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House or Senate, as applicable, to a bill, the chairman of the Committee on the Budget of that House shall only count those portions of such amendments agreed to that were so designated by the Members or Senators offering such amendments as amounts to be credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance, or that fall within the last sentence of paragraph (1).

''(4) The chairman of the Committee on the Budget of the House and of the Senate shall each maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported to its House. This tally shall be available to Members or Senators during consideration of any bill by that House.

''(d) CALCULATION OF LOCK-BOX SAVINGS IN HOUSE AND SENATE.—For the purposes of enforcing section 302(a), upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, the amount of budget authority and outlays calculated pursuant to subsection (c)(3) shall be counted against the 302(a) allocation provided to the applicable committee or committees of that House which reported the bill as if the amount calculated pursuant to subsection (c)(3) was included in the bill just engrossed.

''(e) DEFINITION.—As used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2005 or any subsequent fiscal year, as the case may be.''.

**Subtitle B—Discretionary Spending Limits**

**SEC. 211. ENFORCING DISCRETIONARY SPENDING LIMITS.**

(a) DISCRETIONARY SPENDING LIMITS.—Sections 251(b) and (c) of the Balanced Budget and Emergency Deficit Control of Act of 1985 are amended to read as follows:

''(b) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term 'discretionary spending limit' means—

''(1) with respect to fiscal year 2005—

''(A) $864,261,000,000 in new budget authority of which no more than $400,625,000,000 shall be for the nondefense category; and

''(B) $850,495,800,000 in outlays of which no more than $433,158,400,000 shall be for the nondefense category;

''(2) with respect to fiscal year 2006—

''(A) $838,669,000,000 in new budget authority of which no more than $409,038,100,000 shall be for the nondefense category; and

''(B) $872,471,400,000 in outlays of which no more than $448,440,900,000 shall be for the nondefense category;

''(3) with respect to fiscal year 2007—

''(A) $856,281,000,000 in new budget authority of which no more than $417,627,900,000 shall be for the nondefense category; and

''(B) $886,373,800,000 in outlays of which no more than $458,828,900,000 shall be for the nondefense category;

''(4) with respect to fiscal year 2008—

''(A) $874,263,000,000 in new budget authority of which no more than $426,398,100,000 shall be for the nondefense category; and

''(B) $907,923,200,000 in outlays of which no more than $466,518,700,000 shall be for the nondefense category;

''(5) with respect to fiscal year 2009—

''(A) $892,622,000,000 in new budget authority of which no more than $435,352,500,000 shall be for the nondefense category; and

''(B) $922,436,600,000 in outlays of which no more than $472,403,700,000 shall be for the nondefense category;

''(6) with respect to fiscal year 2010—

''(A) $911,367,000,000 in new budget authority of which no more than $444,494,900,000 shall be for the nondefense category; and

''(B) $942,949,400,000 in outlays of which no more than $483,388,200,000 shall be for the nondefense category;

''(7) with respect to fiscal year 2011—

''(A) $930,506,000,000 in new budget authority of which no more than $453,829,300,000 shall be for the nondefense category; and

''(B) $966,467,600,000 in outlays of which no more than $492,649,700,000 shall be for the nondefense category;

''(8) with respect to fiscal year 2012—

''(A) $950,047,000,000 in new budget authority of which no more than $463,359,700,000 shall be for the nondefense category; and

''(B) $977,831,100,000 in outlays of which no more than $502,049,800,000 shall be for the nondefense category;

''(9) with respect to fiscal year 2013—

''(A) $969,998,000,000 in new budget authority of which no more than $473,090,200,000 shall be for the nondefense category; and

''(B) $1,001,230,000,000 in outlays of which no more than $511,597,600,000 shall be for the nondefense category;

''(10) with respect to fiscal year 2014—

''(A) $990,368,000,000 in new budget authority of which no more than $483,025,100,000 shall be for the nondefense category; and

''(B) $1,020,567,000,000 in outlays of which no more than $521,375,000,000 shall be for the nondefense category;''.

(b) DISCRETIONARY SPENDING LIMIT POINT OF ORDER.—Section 312 of the Congressional Budget Act of 1974 (as amended by section 214(a)) is further amended by adding at the end the following new subsection:

''(h) DISCRETIONARY SPENDING LIMIT POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that—

''(1) increases the discretionary spending limits for any ensuing fiscal year after the budget year; or

''(2) would cause the discretionary spending limits for the budget year to be breached.''.

(c) ADVANCE APPROPRIATION POINT OF ORDER.—Section 312 of the Congressional

Budget Act of 1974 (as amended by this section) is further amended by adding at the end the following new subsection:

''(i) ADVANCE APPROPRIATION POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any appropriation bill or joint resolution, or amendment thereto or conference report thereon, that provides advance discretionary new budget authority that first becomes available for any fiscal year after the budget year at an amount for any program, project, or activity above the amount of appropriations for fiscal year 2004 for such program, project, or activity.''.

**SEC. 212. ESTABLISHMENT OF FAMILY BUDGET PROTECTION DISCRETIONARY ACCOUNT.**

(a) BUDGET PROTECTION MANDATORY ACCOUNT.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''BUDGET PROTECTION MANDATORY ACCOUNT

''SEC. 321. (a) ESTABLISHMENT OF ACCOUNT.—The chairman of the Committee on the Budget of the House of Representatives and of the Senate shall each maintain an account to be known as the 'Budget Protection Mandatory Account'. The Account shall be divided into entries corresponding to the House or Senate committees, as applicable, that received allocations under section 302(a) in the most recently adopted concurrent resolution on the budget, except that it shall not include the Committee on Appropriations of that House and each entry shall consist of the 'First Year Budget Protection Balance' and the 'Five Year Budget Protection Balance'.

''(b) COMPONENTS.—Each entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

''(c) CREDITING OF AMOUNTS TO ACCOUNT.—(1) Whenever a Member or Senator, as the case may be, offers an amendment to a bill that reduces the amount of mandatory budget authority provided either under current law or proposed to be provided by the bill under consideration, that Member or Senator may state the portion of such reduction achieved in the first year covered by the most recently adopted concurrent resolution on the budget and in addition the portion of such reduction achieved in the first five years covered by the most recently adopted concurrent resolution on the budget that shall be—

''(A) credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance in the House or Senate, as applicable;

''(B) used to offset an increase in other new budget authority;

''(C) allowed to remain within the applicable section 302(a) allocation; or

''(D) used to offset a decrease in receipts.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance, as applicable, if the amendment is agreed to.

''(2) Except as provided by paragraph (3), the chairman of the Committee on the Budget of the House or Senate, as applicable, shall, upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, credit to the applicable entry balances amounts of new budget authority and outlays equal to the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by that House to that bill.

''(3) When computing the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House or Senate, as applicable, to a bill, the chairman of the Committee on the Budget of that House shall only count those portions of such amendments agreed to that were so designated by the Members or Senators offering such amendments as amounts to be credited to the First Year Budget Protection Balance and the Five Year Budget Protection Balance, or that fall within the last sentence of paragraph (1).

''(4) The chairman of the Committee on the Budget of the House and of the Senate shall each maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported to its House. This tally shall be available to Members or Senators during consideration of any bill by that House.

''(d) CALCULATION OF LOCK-BOX SAVINGS IN HOUSE AND SENATE.—For the purposes of enforcing section 302(a), upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, the amount of budget authority and outlays calculated pursuant to subsection (c)(3) shall be counted against the 302(a) allocation provided to the applicable committee or committees of that House which reported the bill as if the amount calculated pursuant to subsection (c)(3) was included in the bill just engrossed.

''(e) DEFINITION.—As used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2005 or any subsequent fiscal year, as the case may be.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 319 the following new items:

''Sec. 320. Family budget protection mandatory account.

''Sec. 321. Family budget protection discretionary account.''.

**SEC. 213. REVENUE ADJUSTMENT.**

If an amendment is designated to be used to offset a decrease in receipts for a fiscal year pursuant to section 320(c)(1)(D) or section 321(c)(1)(D) of the Congressional Budget Act of 1974, then the applicable level of revenues for such fiscal year for purposes of section 311(a) of such Act shall be reduced by the amount of such amendment.

## Subtitle C—Long-term Unfunded Obligations

**SEC. 221. LONG-TERM UNFUNDED OBLIGATIONS.**

(a) IN GENERAL.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following:

## PART C—LONG-TERM UNFUNDED OBLIGATIONS

**''SEC. 441. ANALYSIS OF LONG-TERM UNFUNDED OBLIGATIONS.**

''Beginning in fiscal year 2006, the President's budget shall include an analysis of long-term unfunded obligations. This analysis shall include:

''(1) An analysis of the impact of long-term unfunded obligations in applicable entitlement programs on the long-term level of unified budget outlays and the unified budget surplus or deficit, in relation to the projected level of the Gross Domestic Product.

''(2) A report on the impact of legislation enacted during the previous session of Congress that increases the long-term unfunded obligation in any applicable group of entitlement program.

''(3) An analysis of the impact of legislation proposed in the President's budget on the long-term unfunded obligation in any applicable entitlement program.

**''SEC. 442. POINT OF ORDER AGAINST LEGISLATION INCREASING LONG-TERM UNFUNDED OBLIGATIONS.**

''It shall not be in order in the House of Representatives or in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that would increase the long-term unfunded obligation in any applicable group of entitlement programs.

**''SEC. 443. STANDARD FOR DETERMINING INCREASE IN LONG-TERM UNFUNDED OBLIGATION.**

''For the purpose of this part, legislation shall be considered to increase the long-term unfunded obligation of an applicable group of entitlement programs if it either—

''(1) increases the excess of the discounted present value of the expenditures of programs in the group above the discounted present value of the dedicated receipts of programs in the group over a long-term estimating period by more than an applicable threshold; or

''(2) increases the dollar level of the expenditures of programs in the group above the dedicated receipts of programs in the group above the dedicated receipts of programs in the group in the last year of the estimating period by more than the applicable threshold.

**''SEC. 444. LONG-TERM UNFUNDED OBLIGATION ANALYSES BY CONGRESSIONAL BUDGET OFFICE.**

The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

''(1) an estimate of any increase of the long-term unfunded obligation of any applicable entitlement program which would be incurred in carrying out such bill or resolution as measured by the increase of the excess of the discounted present value of the expenditures of such program above the discounted present value of the dedicated receipts of such program over a long-term estimating period by more than an applicable threshold; and

''(2) an estimate of any increase in the dollar level of the expenditures of such program above the dedicated receipts of such program above the dedicated receipts of such program in the last year of the estimating period by more than the applicable threshold.

The estimates and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

**''SEC. 445. DEFINITIONS.**

''As used in this part—

''(1) the term 'applicable entitlement program' shall be defined as any one of the following programs:

''(A) Old Age, Survivors, and Disability Insurance.

''(B) Medicare (combined hospital insurance and supplemental medical insurance).

''(C) Civilian retirement and disability (combined Civil Service Retirement System and Federal Employees Retirement System).

''(D) Foreign Service Retirement and Disability (combined Foreign Service Retirement and Disability System and Foreign Service Pension System).

''(E) Retired Employees Health Benefits.

''(F) Military Retirement System.

''(G) Uniformed Services Retiree Health Care System.

''(H) Railroad Retirement System (combined Rail Industry Pension Fund, Social Security Equivalent Benefit Account, and National Railroad Retirement Investment Trust).

''(I) Supplemental Security Income (SSI).

''(J) For estimates made on or after January 1, 2006, veterans disability compensation.

''(K) Any other entitlement program with regularly available long-term estimates.

''(2) The term 'entitlement program with regularly available long-term estimates' means a program for which the Director of the Congressional Budget Office, in consultation with the Committees on the Budget of the House of Representatives and the Senate and the Director of the Office of Management and Budget, has determined that it is feasible to make long-term estimates of expenditures and dedicated receipts based on explicit demographic, economic, and other estimating assumptions. The Director shall notify the House and Senate Committees on the Budget in writing, whenever he or she makes such a determination.

''(3) The term 'applicable group of entitlement programs' shall be defined as any of the following:

''(A) Old Age, Survivors, and Disability Insurance.

''(B) All applicable entitlement programs except Old Age, Survivors, and Disability Insurance.

''(4) The term 'long-term estimating period' shall be defined as 75 years, starting with the current year, for all applicable entitlement programs except for Old Age, Survivors, and Disability Insurance. For Old Age, Survivors, and Disability Insurance, the term shall be defined as the infinite period of years utilized in the most recent annual report of the Board of Trustees provided pursuant to section 201(c)(2) of the Social Security Act.

''(5) The term 'last year of the estimating period' shall be defined as the 75th year of the long-term estimating period.

''(6) The term 'dedicated receipts' shall be defined, for all applicable entitlement programs other than Medicare, as taxes and fees received from the public, payments received from Federal agencies on behalf of Federal agency employees who are participants in the program, transfers received by the program under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)), and transfers from the general fund of amounts equivalent to income tax receipts under section 86 of the Internal Revenue Code. Dedicated receipts shall not include payments from the general fund to amortize a program's unfunded liability or payments of interest on a program's trust fund holdings. For Medicare, 'dedicated receipts' shall be defined according to section 801(c)(3) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

''(7) The term 'expenditures' shall be defined, for all applicable entitlement programs other than Medicare, to include benefit payments, administrative expenses to the extent paid from a dedicated fund, and transfers to other programs made under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)). For Medicare, 'expenditures' shall be defined according to section 801(c)(4) of the Medicare prescription Drug, Improvement, and Modernization Act of 2003.

''(8) The term 'applicable threshold' shall be defined as:

''(A) For a group of applicable entitlement programs over a long-term estimating period—

''(i) 0.02 percent of the present value of the taxable payroll of the group of programs over the estimating period, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare; and

''(ii) 1 percent of the present value of the expenditures over the estimating period of the programs in the group that are affected by the legislation.

''(B) For a group of applicable entitlement programs in the last year of the estimating period—

''(i) 0.02 percent of the taxable payroll of the group of programs in that year, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare;

''(ii) 0.01 percent of Gross Domestic Product in that year; or

''(iii) 1 percent of the expenditures in that year of the programs in the group that are affected by the legislation.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 428 the following:

'PART C—LONG-TERM UNFUNDED OBLIGATIONS

''Sec. 441. Analysis of long-term unfunded obligations.

''Sec. 442. Point of order against legislation increasing long-term unfunded obligations.

''Sec. 443. Standard for determining increase in long-term unfunded obligation.

''Sec. 444. Long-term unfunded obligation analyses by congressional budget office.

''Sec. 445. Definitions.

**SEC. 222. POINTS OF ORDER.**

Section 904 of the Congressional Budget Act of 1974 is amended as follows:

(1) Subsection (c)(1) is amended by adding ''442,'' after ''310(d)(2), 313,''.

(2) Subsection (d)(2) is amended by adding ''442,'' after ''310(d)(2), 313,''.

**SEC. 223. SOCIAL SECURITY.**

Section 13302(a) of subtitle C of the Budget Enforcement Act of 1990 is amended to read as follows:

''(a) IN GENERAL.—It shall be not be in order in the House of Representatives to consider any bill, or joint resolution, as reported, or any amendment thereto or conference report thereon, if, upon enactment, such legislation under consideration would increase the long-term unfunded obligation of the OASDI program, as defined in section 443 of the Congressional Budget Act of 1974.''.

## TITLE III—COMBATING WASTE, FRAUD, AND ABUSE.

### Subtitle A—Sunsetting

**SEC. 301. REAUTHORIZATION OF DISCRETIONARY PROGRAMS AND UNEARNED ENTITLEMENTS.**

(a) FISCAL YEAR 2008.—Effective October 1, 2007, spending authority for each unearned entitlement and high-cost discretionary spending program is frozen at then current levels unless such spending authority is reauthorized after the date of enactment of this Act.

(b) FISCAL YEAR 2009.—Effective October 1, 2008, spending authority for each discretionary spending program (not including high-cost discretionary spending programs) is frozen at then current levels unless such spending authority is reauthorized after the date of enactment of this Act.

(c) DEFINITIONS.—For purposes of this title—

(1) the term ''unearned entitlement'' means an entitlement not earned by service or paid for in total or in part by assessments or contributions such as Social Security, veterans' benefits, retirement programs, and medicare; and

(2) the term ''high-cost discretionary program'' means the most expensive one-third of discretionary program within each budget function account.

**SEC. 302. POINT OF ORDER.**

(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that includes any provision that appropriates funds above current levels unless such appropriation has been previously authorized by law.

(b) WAIVER OR SUSPENSION.—This section may be waived or suspended in the House of Representatives or the Senate only by the affirmative vote of two-thirds of the Members, duly chosen and sworn.

**SEC. 303. DECENNIAL SUNSETTING.**

(a) FIRST DECENNIAL CENSUS YEAR.—Effective on the first day of the fiscal year beginning in the first decennial census year after the year 2010 and each 10 years thereafter, the spending authority described in section 301(a) is terminated unless such spending authority is reauthorized after the last date the spending authority was required to be reauthorized under this title.

(b) FIRST DECENNIAL CENSUS YEAR.—Effective on the first day of the fiscal year beginning in the year after the first decennial census year after the year 2010 and each 10 years thereafter, the spending authority described in section 301(b) is terminated unless such spending authority is reauthorized after the last date the spending authority was required to be reauthorized under this title.

### Subtitle B—Enhanced Rescissions of Budget Authority Identified by the President as Wasteful Spending

**SEC. 311. ENHANCED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS.**

(a) IN GENERAL.—Part B of title X of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 681 et seq.) is amended by redesignating sections 1013 through 1017 as sections 1014 through 1018, respectively, and by inserting after section 1012 the following new section:

''ENHANCED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS

''SEC. 1013. (a) PROPOSED RESCISSION OF BUDGET AUTHORITY IDENTIFIED AS WASTEFUL SPENDING.—The President may propose, at the time and in the manner provided in subsection (b), the rescission of any budget authority provided in an appropriation Act that he identifies as wasteful spending. If the President proposes a rescission of budget authority, he may also propose to reduce the appropriate discretionary spending limits for new budget authority and outlays flowing therefrom set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount that does not exceed the amount of the proposed rescission. Funds made available for obligation under this procedure may not be proposed for rescission again under this section.

''(b) TRANSMITTAL OF SPECIAL MESSAGE.—

''(1) The President may transmit to Congress a special message proposing to rescind amounts of budget authority and include with that special message a draft bill that, if enacted, would only rescind that budget authority unless the President also proposes a reduction in the appropriate discretionary spending limits set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985. That bill shall clearly identify the amount of budget authority that is proposed to be rescinded for each program, project, or activity to which that budget authority relates.

''(2) In the case of an appropriation Act that includes accounts within the jurisdiction of more than one subcommittee of the Committee on Appropriations, the President in proposing to rescind budget authority under this section shall send a separate special message and accompanying draft bill for accounts within the jurisdiction of each subcommittee.

''(3) Each special message shall specify, with respect to the budget authority proposed to be rescinded, the following:

''(A) The amount of budget authority which he proposes to be rescinded.

''(B) Any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved.

''(C) The reasons why the budget authority should be rescinded, including why he considers it to be wasteful spending.

''(D) To the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed rescission.

''(E) All facts, circumstances, and considerations relating to or bearing upon the proposed rescission and the decision to effect the proposed rescission, and to the maximum extent practicable, the estimated effect of the proposed rescission upon the objects, purposes, and programs for which the budget authority is provided.

''(F) A reduction in the appropriate discretionary spending limits set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, if proposed by the President.

''(c) PROCEDURES FOR EXPEDITED CONSIDERATION.—

''(1)(A) Before the close of the second legislative day of the House of Representatives after the date of receipt of a special message transmitted to Congress under subsection (b), the majority leader or minority leader of the House of Representatives shall introduce (by request) the draft bill accompanying that special message. If the bill is not introduced as provided in the preceding sentence, then, on the third legislative day of the House of Representatives after the date of receipt of that special message, any Member of that House may introduce the bill.

''(B) The bill shall be referred to the Committee on Appropriations. The committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of that House after the date of receipt of that special message. If that committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

''(C) A vote on final passage of the bill shall be taken in the House of Representatives on or before the close of the 10th legislative day of that House after the date of the introduction of the bill in that House. If the bill is passed, the Clerk of the House of Representatives shall cause the bill to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the bill is passed.

''(2)(A) A motion in the House of Representatives to proceed to the consideration of a bill under this section shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

''(B) Debate in the House of Representatives on a bill under this section shall not exceed 4 hours, which shall be divided equally between those favoring and those opposing the bill. A motion to further limit debate shall not be debatable. It shall not be in order to move to recommit a bill under this section or to move to reconsider the vote by which the bill is agreed to or disagreed to.

''(C) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a bill under this section shall be decided without debate.

''(D) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a bill under this section shall be governed by the Rules of the House of Representatives. It shall not be in order in the House of Representatives to consider any rescission bill introduced pursuant to the provisions of this section under a suspension of the rules or under a special rule.

''(3) A bill transmitted to the Senate pursuant to paragraph (1)(D) shall be referred to its Committee on Appropriations. That committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of the Senate after it receives the bill. A committee failing to report the bill within such period shall be automatically discharged from consideration of the bill, and the bill shall be placed upon the appropriate calendar.

''(4)(A) A motion in the Senate to proceed to the consideration of a bill under this section shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

''(B) Debate in the Senate on a bill under this section, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (C)), shall not exceed 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

''(C) Debate in the Senate or any debatable motion or appeal in connection with a bill under this section shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control of the passage of a bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

''(D) A motion in the Senate to further limit debate on a bill under this section is not debatable. A motion to recommit a bill under this section is not in order.

''(d) AMENDMENT AND DIVISIONS PROHIBITED.—No amendment to a bill considered under this section shall be in order in either the House of Representatives or the Senate. It shall not be in order to demand a division of the question in the House of Representatives (or in a Committee of the Whole) or in the Senate. No motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House to suspend the application of this subsection by unanimous consent.

''(e) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be rescinded in a special message transmitted to Congress under subsection (b) shall be made available for obligation on the day after the date on which either House rejects the bill transmitted with that special message.

''(f) DEFINITIONS.—For purposes of this section:

''(1) The term 'appropriation Act' means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations.

''(2) The term 'legislative day' means, with respect to either House of Congress, any day of session.

''(3) The term 'rescind' means, with respect to an appropriation Act, to reduce the amount of budget authority appropriated in that Act, and reducing budget authority shall include reducing obligation limitations set forth in that Act.''.

(b) EXERCISE OF RULEMAKING POWERS.—Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—

(1) in subsection (a), by striking ''and 1017'' and inserting ''1012, and 1017''; and

(2) in subsection (d), by striking ''section 1017'' and inserting ''sections 1012 and 1017''.

(c) CONFORMING AMENDMENTS.—

(1) Section 1011 of the Congressional Budget Act of 1974 (2 U.S.C. 682(5)) is amended by repealing paragraphs (3) and (5) and by redesignating paragraph (4) as paragraph (3).

(2) Section 1014 of such Act (2 U.S.C. 685) is amended—

(A) in subsection (b)(1), by striking ''or the reservation''; and

(B) in subsection (e)(1), by striking ''or a reservation'' and by striking ''or each such reservation''.

(3) Section 1015(a) of such Act (2 U.S.C. 686) is amended by striking ''is to establish a reserve or'', by striking ''the establishment of such a reserve or'', and by striking ''reserve or'' each other place it appears.

(4) Section 1017 of such Act (2 U.S.C. 687) is amended—

(A) in subsection (a), by striking ''rescission bill introduced with respect to a special message or'';

(B) in subsection (b)(1), by striking ''rescission bill or'', by striking ''bill or'' the second place it appears, by striking ''rescission bill with respect to the same special message or'', and by striking '', and the case may be,'';

(C) in subsection (b)(2), by striking ''bill or'' each place it appears;

(D) in subsection (c), by striking ''rescission'' each place it appears and by striking ''bill or'' each place it appears;

(E) in subsection (d)(1), by striking ''rescission bill or'' and by striking '', and all amendments thereto (in the case of a rescission bill)'';

(F) in subsection (d)(2)—

(i) by striking the first sentence;

(ii) by amending the second sentence to read as follows: ''Debate on any debatable motion or appeal in connection with an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event that the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee.'';

(iii) by striking the third sentence; and

(iv) in the fourth sentence, by striking ''rescission bill or'' and by striking ''amendment, debatable motion,'' and by inserting 'debatable motion';

(G) in paragraph (d)(3), by striking the second and third sentences; and

(H) by striking paragraphs (4), (5), (6), and (7) of paragraph (d).

(d) CLERICAL AMENDMENTS.—The table of sections for subpart B of title X of the Congressional Budget and Impoundment Control Act of 1974 is amended by redesignating the item relating to sections 1014 through 1018 as items 1015 through 1019, respectively, and by inserting after the item relating to section 1012 the following new item:

''Sec. 1013. Enhanced consideration of certain proposed rescissions.''.

**Subtitle C—Commission to Eliminate Waste, Fraud, and Abuse**

**SEC. 331. ESTABLISHMENT OF COMMISSION.**

(a) ESTABLISHMENT.—There is established the Commission to Eliminate Waste, Fraud, and Abuse (hereafter in this subtitle referred to as the ''Commission'').

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall consist of 12 members, all of whom shall be appointed by the President not later than 90 days after the date of enactment of this Act.

(2) CHAIRPERSON AND VICE CHAIRPERSON.—The President shall designate a chairperson and vice chairperson from among the members of the Commission.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) MEETINGS.—

(1) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(2) SUBSEQUENT MEETINGS.—The Commission shall meet at the call of the chairperson.

(e) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

**SEC. 332. DUTIES OF THE COMMISSION.**

(a) DEFINITIONS.—In this section, the following definitions shall apply:

(1) AGENCY.—The term ''agency'' has the meaning given the term ''Executive agency'' under section 105 of title 5, United States Code.

(2) PROGRAM.—The term ''program'' means any activity or function of an agency.

(b) IN GENERAL.—The Commission shall—

(1) evaluate all agencies and programs within those agencies, using the criteria under subsection (c); and

(2) submit to Congress—

(A) a plan with recommendations of the agencies and programs that should be realigned or eliminated; and

(B) proposed legislation to implement the plan described under subparagraph (A).

(c) CRITERIA.—

(1) DUPLICATIVE.—If 2 or more agencies or programs are performing the same essential function and the function can be consolidated or streamlined into a single agency or program, the Commission shall recommend that the agency or program be realigned.

(2) WASTEFUL OR INEFFICIENT.—The Commission shall recommend the realignment or elimination of any agency or program that has wasted Federal funds by—

(A) egregious spending;

(B) mismanagement of resources and personnel; or

(C) use of such funds for personal benefit or the benefit of a special interest group.

(3) OUTDATED, IRRELEVANT, OR FAILED.—The Commission shall recommend the elimination of any agency or program that—

(A) has completed its intended purpose;

(B) has become irrelevant; or

(C) has failed to meet its objectives.

(d) SYSTEMATIC ASSESSMENT OF PROGRAMS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President shall—

(A) establish a systematic method for assessing the effectiveness and accountability of agency programs; and

(B) submit, to the Commission, assessments of not less than ½ of all programs covered under subsection (b)(1) that use the method established under subparagraph (A).

(2) METHOD OBJECTIVES.—The method established under paragraph (1) shall—

(A) recognize different types of federal programs;

(B) assess programs based primarily on the achievement of performance goals (as defined under section 1115(f)(4) of title 31, United States Code); and

(C) assess programs based in part on the adequacy of the program's performance measures, financial management, and other factors determined by the President.

(3) DEVELOPMENT.—The method established under paragraph (1) shall not be implemented until it has been reviewed and accepted by the Commission.

(4) CONSIDERATION OF ASSESSMENTS.—The Commission shall consider assessments submitted under this subsection when evaluating programs under subsection (b)(1).

(e) COMMON PERFORMANCE MEASURES.—Not later than 1 year after the date of enactment of this Act, the President shall identify common performance measures for programs covered in subsection (b)(1) that have similar functions and, to the extent feasible, provide the Commission with data on such performance measures.

(f) REPORT.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Commission shall submit to the President and Congress a report that includes—

(A) the plan described under subsection (b)(2)(A), with supporting documentation for all recommendations; and

(B) the proposed legislation described under subsection (b)(2)(B).

(2) RELOCATION OF FEDERAL EMPLOYEES.—The proposed legislation under paragraph (1)(B) shall provide that if the position of an employee of an agency is eliminated as a result of the implementation of the plan under paragraph (1)(A), the affected agency shall make reasonable efforts to relocate such employee to another position within the agency or within another Federal agency.

**SEC. 333. POWERS OF THE COMMISSION.**

(a) HEARINGS.—The Commission or, at its direction, any subcommittee or member of the Commission, may, for the purpose of carrying out this subtitle—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and administer such oaths as any member of the Commission considers advisable;

(2) require, by subpoena or otherwise, the attendance and testimony of such witnesses as any member of the Commission considers advisable; and

(3) require, by subpoena or otherwise, the production of such books, records, correspondence, memoranda, papers, documents, tapes, and other evidentiary materials relating to any matter under investigation by the Commission.

(b) SUBPOENAS.—

(1) ISSUANCE.—Subpoenas issued under subsection (a) shall bear the signature of the chairperson of the Commission and shall be served by any person or class of persons designated by the chairperson for that purpose.

(2) ENFORCEMENT.—In the case of contumacy or failure to obey a subpoena issued under subsection (a), the United States district court for the judicial district in which the subpoenaed person resides, is served, or may be found, may issue an order requiring such person to appear at any designated place to testify or to produce documentary or other evidence. Any failure to obey the order of the court may be punished by the court as a contempt of that court.

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this Act. Upon request of the chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Government.

(e) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

**SEC. 334. COMMISSION PERSONNEL MATTERS.**

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL MEMBERS.—Except as provided under subsection (b), each member of the Commission who is not an officer or employee of the Government shall not be compensated.

(2) FEDERAL OFFICERS OR EMPLOYEES.—All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—Upon the approval of the chairperson, the executive director may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the maximum rate payable for a position at GS–15 of the General Schedule under section 5332 of such title.

(3) PERSONNEL AS FEDERAL EMPLOYEES.—

(A) IN GENERAL.—The executive director and any personnel of the Commission who are employees shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of that title.

(B) MEMBERS OF COMMISSION.—Subparagraph (A) shall not be construed to apply to members of the Commission.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

**SEC. 335. TERMINATION OF THE COMMISSION.**

The Commission shall terminate 90 days after the date on which the Commission submits the report under section 232(f).

**SEC. 336. CONGRESSIONAL CONSIDERATION OF REFORM PROPOSALS.**

(a) DEFINITIONS.—In this section:

(1) IMPLEMENTATION BILL.—The term ''implementation bill'' means only a bill which is introduced as provided under subsection (b), and contains the proposed legislation included in the report submitted to Congress under section 232, without modification.

(2) CALENDAR DAY.—The term ''calendar day'' means a calendar day other than 1 on

which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) INTRODUCTION; REFERRAL; AND REPORT OR DISCHARGE.—

(1) INTRODUCTION.—On the first calendar day on which both Houses are in session, on or immediately following the date on which the report is submitted to Congress under section 232, a single implementation bill shall be introduced (by request)—

(A) in the Senate by the Majority Leader of the Senate, for himself and the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate; and

(B) in the House of Representatives by the Speaker of the House of Representatives, for himself and the Minority Leader of the House of Representatives, or by Members of the House of Representatives designated by the Speaker and Minority Leader of the House of Representatives.

(2) REFERRAL.—The implementation bills introduced under paragraph (1) shall be referred to any appropriate committee of jurisdiction in the Senate and any appropriate committee of jurisdiction in the House of Representatives. A committee to which an implementation bill is referred under this paragraph may report such bill to the respective House without amendment.

(3) REPORT OR DISCHARGE.—If a committee to which an implementation bill is referred has not reported such bill by the end of the 15th calendar day after the date of the introduction of such bill, such committee shall be immediately discharged from further consideration of such bill, and upon being reported or discharged from the committee, such bill shall be placed on the appropriate calendar.

(c) FLOOR CONSIDERATION.—

(1) IN GENERAL.—When the committee to which an implementation bill is referred has reported, or has been discharged under subsection (b)(3), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the implementation bill, and all points of order against the implementation bill (and against consideration of the implementation bill) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the implementation bill is agreed to, the implementation bill shall remain the unfinished business of the respective House until disposed of.

(2) AMENDMENTS.—An implementation bill may not be amended in the Senate or the House of Representatives.

(3) DEBATE.—Debate on the implementation bill, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the implementation bill is not in order. A motion to reconsider the vote by which the implementation bill is agreed to or disagreed to is not in order.

(4) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on an implementation bill, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the implementation bill shall occur.

(5) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to an implementation bill shall be decided without debate.

(d) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of an implementation bill of that House, that House receives from the other House an implementation bill, then the following procedures shall apply:

(1) NONREFERRAL.—The implementation bill of the other House shall not be referred to a committee.

(2) VOTE ON BILL OF OTHER HOUSE.—With respect to an implementation bill of the House receiving the implementation bill—

(A) the procedure in that House shall be the same as if no implementation bill had been received from the other House; but

(B) the vote on final passage shall be on the implementation bill of the other House.

(e) RULES OF SENATE AND HOUSE OF REPRESENTATIVES.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of an implementation bill described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

**SEC. 337. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary for carrying out this subtitle for each of the fiscal years 2006 through 2008.

## TITLE IV—TRUTH IN ACCOUNTING

### Subtitle A—Accrual Funding of Pensions and Retirement Pay for Federal Employees and Uniformed Services Personnel

**SEC. 401. CIVIL SERVICE RETIREMENT SYSTEM.**

(a) CIVIL SERVICE RETIREMENT AND DISABILITY FUND.—Chapter 83 of title 5, United States Code, is amended—

(1) in section 8331—

(A) in paragraph (17)—

(i) by striking ''normal cost'' and inserting ''normal cost percentage''; and

(ii) by inserting ''and standards (using dynamic assumptions)'' after ''practice'';

(B) by amending paragraph (18) to read as follows:

''(18) 'Fund balance' means the current net assets of the Fund available for payment of benefits, as determined by the Office in accordance with appropriate accounting standards, but does not include any amount attributable to—

''(A) the Federal Employees' Retirement System; or

''(B) contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of any individual who became subject to the Federal Employees' Retirement System;''

(C) by amending paragraph (19) to read as follows:

''(19) 'accrued liability' means the estimated excess of the present value of all benefits payable from the Fund to employees and Members, and former employees and Members, subject to this subchapter, and their survivors, over the present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this subchapter and of future agency contributions to be made in their behalf;''

(D) in paragraph (27) by striking ''and'' at the end;

(E) in paragraph (28) by striking the period at the end and inserting a semicolon; and

(F) by adding at the end the following paragraphs:

''(29) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation; and

''(30) 'unfunded liability' means the estimated excess of—

''(A) the actuarial present value of all future benefits payable from the Fund under this subchapter based on the service of current or former employees or Members, over

''(B) the sum of—

''(i) the actuarial present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this chapter pursuant to section 8334;

''(ii) the actuarial present value of the future contributions to be made pursuant to section 8334 with respect to employees and Members currently subject to this subchapter;

''(iii) the Fund balance, as defined in paragraph (18), as of the date the unfunded liability is determined; and

''(iv) any other appropriate amount, as determined by the Office of Personnel Management in accordance with generally accepted actuarial practices and principles.'';

(2) in section 8334—

(A) in subsection (a)(1)—

(i) by striking the last two sentences;

(ii) by redesignating that subsection, as so amended, as (a)(1)(A); and

(iii) by adding at the end the following new subparagraphs:

''(B) Except as provided in subparagraph (E), each employing agency having any employees or Members subject to subparagraph (A) shall contribute from amounts available for salaries and expenses an amount equal to the sum of—

''(i) the product of—

''(I) the normal cost percentage, as determined for employees (other than employees covered by clause (ii)), multiplied by

''(II) the aggregate amount of basic pay payable by the agency, for the period involved, to employees (under subclause (I)) who are within such agency; and

''(ii) the product of—

''(I) the normal cost percentage, as determined for Members, Congressional employees, law enforcement officers, firefighters, air traffic controllers, bankruptcy judges, Court of Federal Claims judges, United States magistrates, judges of the United States Court of Appeals for the Armed Forces, members of the Capitol Police, nuclear materials couriers, and members of the Supreme Court Police, multiplied by

''(II) the aggregate amount of basic pay payable by the agency for the period involved, to employees and Members (under subclause (I)) who are within such agency.

''(C) In determining the normal cost percentage to be applied under subparagraph (B), amounts provided for under subparagraph (A) shall be taken into account.

''(D) Contributions under this paragraph shall be paid—

''(i) in the case of law enforcement officers, firefighters, air traffic controllers, bankruptcy judges, Court of Federal Claims judges, United States magistrates, judges of the United States Court of Appeals for the Armed Forces, members of the Supreme Court Police, nuclear materials couriers and other employees, from the appropriations or fund used to pay such law enforcement officers, firefighters, air traffic controllers, bankruptcy judges, Court of Federal Claims judges, United States magistrates, judges of the United States Court of Appeals for the Armed Forces, members of the Supreme Court Police, nuclear materials couriers and other employees, respectively;

''(ii) in the case of elected officials, from an appropriation or fund available for payment of other salaries of the same office or establishment; and

''(iii) in the case of employees of the legislative branch paid by the Clerk of the House of Representatives, from the contingent fund of the House.

''(E) In the case of the United States Postal Service, the Metropolitan Washington Airports Authority, and the government of the District of Columbia, an amount equal to that withheld under subparagraph (A) shall be contributed from the appropriation or fund used to pay the employee.''; and

(B) in subsection (k)—

(i) in paragraph (1)—

(I) in subparagraph (A) by striking ''the first sentence of subsection (a)(1) of this section'' and inserting ''subsection (a)(1)(A)''; and

(II) by amending subparagraph (B) to read as follows:

''(B) the amount of the contribution under subsection (a)(1)(B) shall be the amount which would have been contributed under such subsection if this subsection had not been enacted.''; and

(ii) in paragraph (2)(C)(iii) by striking ''the first sentence of subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''; and

(3) in section 8348—

(A) by repealing subsection (f);

(B) by amending subsection (g) to read as follows:

''(g)(1)(A) Not later than June 30, 2005, the Office of the Actuary shall determine the unfunded liability of the Fund, as of September 30, 2004, attributable to benefits payable under this chapter and make recommendations regarding its liquidation. After considering such recommendations, the Office shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(B) The Office shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(C) The Office shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(D) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.

''(2) At the beginning of each fiscal year, beginning on October 1, 2005, the Office shall notify the Secretary of the Treasury of the amount of the first installment under the most recent amortization schedule established under paragraph (1). The Secretary shall credit that amount to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.

''(3) For the purpose of carrying out paragraph (1) with respect to any fiscal year, the Office may—

''(A) require the Board of Actuaries of the Civil Service Retirement System to make actuarial determinations and valuations, make recommendations, and maintain records in accordance with section 8347(f); and

''(B) use the latest actuarial determinations and valuations made by such Board of Actuaries.'';

(C) in subsections (h), (i), and (m) by striking ''unfunded'' and inserting ''accrued'' each place it appears; and

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

''(n) Under regulations prescribed by the Office, the head of an agency may request reconsideration of any amount determined to be payable with respect to such agency under section 8334(a)(1)(B)–(D). Any such request shall be referred to the Board of Actuaries of the Civil Service Retirement System. The Board of Actuaries shall review the computations of the Office and may make any adjustment with respect to any such amount which the Board determines appropriate. A determination by the Board of Actuaries under this subsection shall be final.''.

(b) GOVERNMENT CONTRIBUTIONS.—Section 8423 of title 5, United States Code, is amended—

(1) in subsection (a)(2) by striking ''section 8422'' and inserting ''section 8422(a)''; and

(2) in subsection (b)(2) by striking ''equal annual installments'' and inserting ''annual installments set in accordance with generally accepted actuarial practices and principles''.

**SEC. 402. CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.**

(a) Section 101 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2001) is amended—

(1) in paragraph (5), to read as follows:

''(5) UNFUNDED LIABILITY.—The term 'unfunded liability' means the estimated excess of—

''(A) the actuarial present value of all future benefits payable from the Fund under title II of this Act based on the service of current or former participants, over

''(B) the sum of—

''(i) the actuarial present value of deductions to be withheld from the future basic pay of participants currently subject to title II of this Act pursuant to section 211;

''(ii) the actuarial present value of the future contributions to be made pursuant to section 211 with respect to participants currently subject to title II of this Act;

''(iii) the Fund balance, as defined in paragraph (4), as of the date the unfunded liability is determined; and

''(iv) any other appropriate amount, as determined by the Director in accordance with generally accepted actuarial practices and principles.'';

(2) in paragraph (6)—

(A) by striking '' 'normal cost' '' and inserting '' 'normal cost percentage' ''; and

(B) by inserting ''and standards (using dynamic assumptions)'' after ''practice''; and

(3) by adding at the end the following paragraph:

''(10) DYNAMIC ASSUMPTIONS.—The term 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.'';

(b) Section 202 of such Act (50 U.S.C. 2012) is amended by adding at the end the following: ''The Fund is appropriated for the payment of benefits as provided by this title.''.

(c) Section 211(a)(2) of such Act (50 U.S.C. 2021(a)(2)) is amended to read as follows:

''(2) AGENCY CONTRIBUTIONS.—The Agency shall contribute to the Fund the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Central Intelligence Agency Retirement and Disability System by the Director. Contributions under this paragraph shall be paid from amounts available for salaries and expenses.''; and

(d) Section 261 of such Act (50 U.S.C. 2091) is amended—

(1) by striking subsections (c), (d), and (e); and

(2) by inserting after subsection (b) the following new subsections:

''(c)(1) Not later than June 30, 2005, the Director shall cause to be made actuarial valuations of the Fund that determine the unfunded liability of the Fund, as of September 30, 2004, attributable to benefits payable under this title and make recommendations regarding its liquidation. After considering such recommendations, the Director shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Director shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Director shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(4) Amortization schedules established under this subsection shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Civil Service Retirement and Disability System.

''(d) At the beginning of each fiscal year, beginning on October 1, 2005, the Director shall notify the Secretary of the Treasury of the amount of the first installment under the most recent amortization schedule established under subsection (c). The Secretary shall credit that amount to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated. For the purposes of Section 504 of the National Security Act of 1947, this amount shall be considered authorized.''.

(e)(1) Title III of such Act (50 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

**''SEC. 308. FULL FUNDING OF RETIREE COSTS FOR EMPLOYEES DESIGNATED UNDER SECTION 302.**

''(a) In addition to other government contributions required by law, the Agency shall

contribute to the Civil Service Retirement and Disability fund (hereinafter in this section referred to as the 'Fund') amounts calculated in accordance with section 8423 of title 5, United States Code, based on the projected number of employees to be designated pursuant to section 302 of this Act. In addition, the Agency, in a manner similar to that established for employee contributions to the Fund by section 8422 of title 5, United States Code, will contribute an amount equal to the difference between that which would be contributed by the number of employees projected to be designated under section 302 and the amounts that are actually being deducted and contributed from the basic pay of an equal number of employees pursuant to section 8422. The amounts of the Agency's contributions under this subsection shall be determined by the Director of the Office of Personnel Management, in consultation with the Director, and shall be paid by the Agency from funds available for salaries and expenses. Agency employees designated pursuant to section 302 of this Act shall, commencing with such designation, have deducted from their basic pay the full amount required by section 8422 of title 5, United States Code, and such deductions shall be contributed to the Fund.

''(b)(1) The Director of the Office of Personnel Management, in consultation with the Director, shall determine the total amount of unpaid contributions (government and employee contributions) and interest attributable to the number of individuals employed with the Agency on September 30, 2005, who are projected to be designated under section 302 of this Act, but are not yet designated under that section as of that date. The amount shall be referred to as the section 302 unfunded liability.

''(2) Not later than June 30, 2006, the Director of the Office of Personnel Management, in consultation with the Director, shall establish an amortization schedule, setting forth a series of annual installments commencing September 30, 2006, which provides for the liquidation of the section 302 unfunded liability by September 30, 2013.

''(3) At the end of each fiscal year, beginning on September 30, 2006, the Director shall notify the Secretary of the Treasury of the amount of the annual installment under the amortization schedule established under paragraph (2) of this subsection. Before closing the accounts for that fiscal year, the Secretary shall credit that amount to the Fund, out of any money in the Treasury of the United States not otherwise appropriated.

''(c) Amounts paid by the Agency pursuant to this section are deemed to be specifically authorized by the Congress for the purposes of section 504 of the National Security Act of 1947.''.

(2) The table of contents of such Act is amended by inserting after the item relating to section 307 the following new item:

''Sec. 308. Full funding of retiree costs for employees designated under section 302.''.

**SEC. 403. FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.**

(a) Chapter 8 of Title I of the Foreign Service Act of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.) 94 Stat. 2071, as amended, is further amended in section 804 (22 U.S.C. 4044)—

(1) by amending paragraph (5) to read as follows:

''(5) 'normal cost percentage' means the entry-age normal cost computed in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;'';

(2) by amending paragraph (14) to read as follows:

''(14) 'unfunded liability' means the estimated excess of—

''(A) the actuarial present value of all future benefits payable from the Fund under this part based on the service of current or former participants, over

''(B) the sum of—

''(i) the actuarial present value of deductions to be withheld from the future basic pay of participants currently subject to this part pursuant to section 805;

''(ii) the actuarial present value of the future contributions to be made pursuant to section 805 with respect to participants currently subject to this part;

''(iii) the Fund balance, as defined in paragraph (7), as of the date the unfunded liability is determined, excluding any amount attributable to the Foreign Service Pension System, or contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of any individual who became subject to the Foreign Service Pension System; and

''(iv) any other appropriate amount, as determined by the Secretary of the Treasury in accordance with generally accepted actuarial practices and principles.''; and

(3)(A) by striking the period at the end of paragraph (15) and inserting ''; and''; and

(B) by adding at the end the following new paragraph:

''(16) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.'';

(b) in section 852 (22 U.S.C. 4071a)—

(1) in paragraph (4)—

(A) by striking ''normal cost'' and inserting ''normal cost percentage''; and

(B) by striking ''by the Secretary of State'';

(2) in paragraph (7)—

(A) by striking ''supplemental'' and inserting ''unfunded'';

(B) in subparagraph (B)(i) by striking ''(I)'' and ''and (II) contributions for past civilian and military service''; and

(C) in subparagraph (B)(ii) by inserting before the semicolon ''with respect to participants currently subject to this part''; and

(3)(A) at the end of paragraph (8) by striking ''and'';

(B) at the end of paragraph (9) by striking the period and inserting ''; and''; and

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

''(10) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.'';

(c) in section 805(a)(1) (22 U.S.C. 4045(a)(i))—

(1) by striking the second sentence;

(2) (by redesignating that subsection, as so amended, as (a)(1)(A);

(3) by redesignating the last sentence of that subsection, as so amended as (a)(1)(C);

(4) by inserting after subparagraph (A) the following new subparagraph:

''(B) Each employing agency having participants shall contribute to the Fund the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Foreign Service Retirement and Disability System. Contributions under this subparagraph shall be paid from the appropriations or fund used for payment of the salary of the participant.'';

(5) in subsection (a)(2)(A) by striking ''An equal amount shall be contributed by the Department'' and inserting in its place ''Each employing agency having participants shall contribute to the Fund the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Foreign Service Retirement and Disability System''; and

(6) in subsection (a)(2)(B) by striking ''An equal amount shall be contributed by the Department'' and inserting in its place ''Each employing agency having participants shall contribute to the Fund from amounts available for salaries and expenses the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Foreign Service Retirement and Disability System'';

(d) by repealing sections 821 and 822 (22 U.S.C. 4061 and 4062) and by adding the following new section:

''SEC. 821. UNFUNDED LIABILITY.—(a)(1) Not later than June 30, 2005, the Secretary of State shall cause to be made actuarial valuations of the Fund that determine the unfunded liability of the Fund, as of September 30, 2004, attributable to benefits payable under this subchapter and make recommendations regarding its liquidation. After considering such recommendations, the Secretary of State shall establish an amortization schedule, including a series of annual installments commencing October 1, 2004, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Secretary of State shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Secretary of State shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(4) Amortization schedules established under this subsection shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Foreign Service Retirement and Disability System.

''(b) At the beginning of each fiscal year, beginning on October 1, 2005, the Secretary of State shall notify the Secretary of the Treasury of the amount of the first installment under the most recent amortization schedule established under paragraph (1). The Secretary of the Treasury shall credit that amount to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.'';

(e) in section 857(b)(1) (22 U.S.C. 4071f(b)(1)) by striking ''equal annual installments'' and inserting ''annual installments set in accordance with generally accepted actuarial practices and principles'';

(f) in section 859 (22 U.S.C. 4071h) by adding ''percentage'' after ''normal cost'';

(g) in section 802 (22 U.S.C. 4042) by adding at the end the following: ''The Fund is appropriated for the payment of benefits as provided by this subchapter.''; and

(h) in section 818 (22 U.S.C. 4058) by striking ''System'' and inserting ''Systems under this subchapter''.

**SEC. 404. PUBLIC HEALTH SERVICE COMMISSIONED CORPS RETIREMENT SYSTEM.**

(a) IN GENERAL.—Title II of the Public Health Service Act (42 U.S.C. 202 et seq.) is amended by adding at the end the following new part:

**''PART C—PUBLIC HEALTH SERVICE COMMISSIONED CORPS RETIREMENT SYSTEM**

''ESTABLISHMENT AND PURPOSE OF FUND

''SEC. 251. There is established on the books of the Treasury a fund to be known as the Public Health Service Commissioned Corps Retirement Fund (hereinafter in this part referred to as the 'Fund'), which shall be administered by the Secretary. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis liabilities of the Department of Health and Human Services for benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of this title.

''ASSETS OF THE FUND

''SEC. 252. There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under section 255.

''(2) Any return on investment of the assets of the Fund.

''(3) Amounts transferred into the Fund pursuant to section 404(c) of the Family Budget Protection Act of 2004.

''PAYMENT FROM THE FUND

''SEC. 253. There shall be paid from the Fund benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of this title.

''DETERMINATION OF CONTRIBUTIONS TO THE FUND

''SEC. 254. (a)(1) Not later than June 30, 2005, the Secretary shall determine the unfunded liability of the Fund attributable to service performed as of September 30, 2004, which is 'active service' for the purpose of section 212. The Secretary shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over 5 years.

''(b) The Secretary shall determine each fiscal year, in sufficient time for inclusion in the budget request for the following fiscal year, the total amount of Department of Health and Human Services contributions to be made to the Fund during the fiscal year under section 255(a). That amount shall be the sum of—

''(1) the product of—

''(A) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (c)(1) at the time of the most recent actuarial valuation under subsection (c); and

''(B) the total amount of basic pay expected to be paid during that fiscal year to commissioned officers of the Public Health Service on active duty (other than active duty for training); and

''(2) the product of—

''(A) the current estimate of the value of the single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) to be determined under subsection (c)(2) at the time of the most recent actuarial valuation under subsection (c); and

''(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) expected to be paid during the fiscal year to commissioned officers of the Reserve Corps of the Public Health Service (other than officers on full-time duty other than for training) who are not otherwise described in subparagraph (A).

''(c) Not less often than every four years thereafter (or by the fiscal year end prior to the effective date of any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors), the Secretary shall carry out an actuarial valuation of benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of this title. Each such actuarial valuation shall be signed by an enrolled Actuary and shall include—

''(1) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for commissioned officers of the Public Health Service on active duty (other than active duty for training); and

''(2) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) of commissioned officers of the Reserve Corps of the Public Health Service (other than officers on full time duty other than for training) who are not otherwise described in paragraph (1).

''(d) All determinations under this section shall be in accordance with generally accepted actuarial principles and practices and, where appropriate, shall follow the general pattern of methods and assumptions approved by the Department of Defense Retirement Board of Actuaries.

''(e) The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Fund.

''PAYMENTS INTO THE FUND

''SEC. 255. (a) From amounts available to the Department of Health and Human Services for salaries and expenses, the Secretary shall pay into the Fund at the end of each month the amount that is the sum of—

''(1) the product of—

''(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under sections 254(c)(1) (except that any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay accrued for that month by commissioned officers of the Public Health Service on active duty (other than active duty for training); and

''(2) the product of—

''(A) the level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 254(c)(2) (except that any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determinations); and

''(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) accrued for that month by commissioned officers of the Reserve Corps of the Public Health Service (other than officers on full-time duty other than for training).

''(b) At the beginning of each fiscal year, beginning on October 1, 2005, the Secretary shall certify to the Secretary of the Treasury the amount of the first installment under the most recent amortization schedule established under section 254(a). The Secretary of the Treasury shall pay into the Fund from the General Fund of the Treasury the amount so certified. Such payment shall be the contribution to the Fund for that fiscal year.

''INVESTMENTS OF ASSETS OF FUND

''SEC. 256. The Secretary may request the Secretary of the Treasury to invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet the current needs of the Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the Fund.

''IMPLEMENTATION YEAR EXCEPTIONS

''SEC. 257. (a) To avoid funding shortfalls in the first year should formal actuarial determinations not be available in time for budget preparation, the amounts used in the first year in sections 255(a)(1)(A) and 255(a)(2)(A) shall be set equal to those estimates in sections 254(b)(1)(A) and 254(b)(2)(A) if final determinations are not available. The original unfunded liability as defined in section 254(a) shall include an adjustment to correct for this difference between the formal actuarial determinations and the estimates in sections 254(b)(1)(A) and 254(b)(2)(A).''.

(b) CONFORMING AMENDMENTS.—

(1) CONDITION OF DETAIL.—Section 214 of the Public Health Service Act (42 U.S.C. 215) is amended by adding at the end the following new subsection:

''(e) The Secretary shall condition any detail under subsection (a), (b), or (c) upon the agreement of the executive department, State, subdivision, Committee of the Congress, or institution concerned to pay to the Department of Health and Human Services, in advance or by way of reimbursement, for the full cost of the detail including that portion of the contributions under section 255(a) that is attributable to the detailed personnel.''.

(2) SEQUESTRATION RULE.—Section 256(f) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(f)) is amended—

(A) by inserting after the item relating to ''payment to the foreign service retirement

and disability fund'' the following item: ''Payment to the Public Health Service Commissioned Corps Retirement Fund (75–0380–0–1–551);''; and

(B) by inserting after the item relating to the ''Pensions for former Presidents'' the following item: ''Public Health Service Commissioned Corps Retirement Fund (75–8274–0–7–602);''.

(c) TRANSFER OF APPROPRIATIONS.—There shall be transferred on October 1, 2006, into the fund established under section 251 of the Public Health Service Act, as added by subsection (a), any obligated or unobligated balances of appropriations made to the Department of Health and Human Services that are currently available for benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of title II of the Public Health Service Act, and amounts so transferred shall be part of the assets of the Fund.

**SEC. 405. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION COMMISSIONED OFFICER CORPS RETIREMENT SYSTEM.**

(a) IN GENERAL.—The National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (title II of Public Law 107–372) is amended by inserting after section 246 (33 U.S.C. 3046) the following new section:

''SEC. 246A. (a) ESTABLISHMENT AND PURPOSE OF NOAA COMMISSIONED OFFICER CORPS RETIREMENT FUND.—(1) There is established on the books of the Treasury a fund to be known as the National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement Fund (hereinafter in this section referred to as the 'Fund'), which shall be administered by the Secretary. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis liabilities of the Department of Commerce under military retirement and survivor benefit programs for the commissioned officers corps.

''(2) The term 'military retirement and survivor benefit program' means—

''(A) the provisions of this title and title 10, United States Code, creating entitlement to, or determining, the amount of retired pay;

''(B) the programs under the jurisdiction of the Department of Defense providing annuities for survivors and members and former members of the Armed Forces, including chapter 73 of title 10, section 4 of Public Law 92–425, and section 5 of Public Law 96–202, as made applicable to the commissioned officer corps by section 261.

''(b) ASSETS OF THE FUND.—There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under subsection (e).

''(2) Any return on investment of the assets of the Fund.

''(3) Amounts transferred into the Fund pursuant to section 405(c) of the Family Budget Protection Act of 2004.

''(c) PAYMENTS FROM THE FUND.—There shall be paid from the Fund benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the commissioned officer corps and their survivors.

''(d) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—(1)(A) Not later than June 30, 2004, the Secretary shall determine the unfunded liability of the Fund attributable to service performed as of September 30, 2004, which is 'active service' for the purpose of this title. The Secretary shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(B) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(C) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new authorization schedule, including series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over 5 years.

''(2) The Secretary shall determine each fiscal year, in sufficient time for inclusion in the budget request for the following fiscal year, the total amount of Department of Commerce contributions to be made to the Fund during that fiscal year under (e). The amount shall be the product of—

''(A) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (e) at the time of the most recent actuarial valuation under paragraph (3); and

''(B) the total amount of basic pay expected to be paid during that fiscal year to commissioned officers of NOAA on active duty.

''(3) Not less often then every four years (or by the fiscal year end before the effective date of any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors), the Secretary shall carry out an actuarial valuation of benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the Administration and to their survivors. Each such actuarial valuation shall be signed by an enrolled Actuary and shall include a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for commissioned officers on active duty.

''(4) All determinations under this section shall be in accordance with generally accepted actuarial principles and practices, and, where appropriate, shall follow the general pattern of methods and assumptions approved by the Department of Defense Retirement Board of Actuaries.

''(5) The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Fund.

''(e) PAYMENTS INTO THE FUND.—(1) From amounts appropriated to the National Oceanic Atmospheric Administration for salaries and expenses, the Secretary shall pay into the Fund at the end of each month the amount that is the product of—

''(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under subsection (d) (except that any statutory change affecting benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the Administration and to their survivors that is effective date after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay accrued for that month by commissioned officers on active duty.

''(2)(A) At the beginning of each fiscal year, the Secretary shall determine the sum of—

''(i) the amount of the payment for that year under the amortization of the original unfunded liability of the Fund;

''(ii) the amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary for the amortization of any cumulative actuarial gain or loss to the Fund, resulting from changes in benefits; and

''(iii) the amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary for the amortization or any cumulative actuarial gain or loss to the Fund resulting from changes in actuarial assumptions and from experience different from the assumed since the last valuation.

The Secretary shall promptly certify the amount of the sum to the Secretary of the Treasury.

''(B) Upon receiving the certification pursuant to paragraph (1), the Secretary of the Treasury shall promptly pay into the Fund from the General Fund of the Treasury the amount so certified. Such payment shall be the contribution to the Fund for that fiscal year.

''(f) INVESTMENT OF ASSETS OF THE FUND.—The Secretary may request the Secretary of the Treasury to invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet the current needs of the Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income of such investments shall be credited to and form a part of the Fund.

''(g) IMPLEMENTATION YEAR EXCEPTIONS.—(1) To avoid funding shortfalls in the first year should formal actuarial determinations not be available in time for budget preparation, the amounts used in the first year in subsection (e)(1)(A) shall be set equal to the estimate in subsection (d)(2)(A) if final determinations are not available. The original unfunded liability as determined in subsection (d)(1) shall include an adjustment to correct for this difference between the formal actuarial determinations and the estimates in subsection (d)(2)(A).''.

(b) SEQUESTRATION RULE.—Section 256(f) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(f)) is amended by striking ''National Oceanic and Atmospheric Administration retirement (13–1450–0–1–306);'' and inserting ''National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement Fund;''.

(c) TRANSFER OF APPROPRIATIONS.—There shall be transferred on October 1, 2006, into the fund established under section 246A(a) of the National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (title II of Public Law 107–372, as added by subsection (a)), any obligated and unobligated balance of appropriations made to the Department of Commerce that are available as of the date of the enactment of this Act for benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the NOAA Commissioned Officer Corps and to their survivors, and amounts so transferred shall be part of the assets of the Fund, effective October 1, 2006.

(d) EFFECTIVE DATE.—Subsection (c) (relating to payments from the Fund) and (e) (relating to payments into the Fund) of section 246A of the National Oceanic and Atmospheric Administration Commissioned Officer

Corps Act of 2002 (title II of Public Law 107–372, as added by subsection (a)), shall take effect on October 1, 2006.

**SEC. 406. COAST GUARD MILITARY RETIREMENT SYSTEM.**

(a) ACCRUAL FUNDING FOR COAST GUARD RETIREMENT.—

(1) IN GENERAL.—Chapter 11 of title 14, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER V—COAST GUARD MILITARY RETIREMENT FUND

**''§ 441. Establishment and purpose of Fund; definitions**

''(a) ESTABLISHMENT OF FUND; PURPOSE.—There is established on the books of the Treasury a fund to be known as the Coast Guard Military Retirement Fund (hereinafter in this subchapter referred to as the 'Fund'), which shall be administered by the Secretary. The Fund shall be used for the accumulations of funds in order to finance on an actuarially sound basis liabilities of the Coast Guard under military retirement and survivor benefit programs.

''(b) MILITARY RETIREMENT AND SURVIVOR BENEFIT PROGRAMS DEFINED.—In this subchapter, the term 'military retirement and survivor benefit programs' means—

''(1) the provisions of this title and title 10 creating entitlement to, or determining the amount of, retired pay;

''(2) the programs providing annuities for survivors of members and former members of the armed forces, including chapter 73 of title 10, section 4 of Public Law 92–425, and section 5 of Public Law 96–402; and

''(3) the authority provided in section 1048(h) of title 10.

''(c) SECRETARY DEFINED.—In this subchapter, the term 'Secretary' means the Secretary of Homeland Security when the Coast Guard is not operating as a service in the Navy and the Secretary of Defense when the Coast Guard is operating as a service in the Navy.

**''§ 442. Assets of the Fund**

''There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under section 445 of this title.

''(2) Any return on investment of the assets of the Fund.

''(3) Amounts transferred into the Fund pursuant to section 406(d) of the Family Budget Protection Act of 2004.

**''§ 443. Payments from the Fund**

''(a) IN GENERAL.—There shall be paid from the Fund the following:

''(1) Retired pay payable to persons on the retired list of the Coast Guard.

''(2) Retired pay payable under chapter 1223 of title 10 to former members of the Coast Guard and the former United States Lighthouse Service.

''(3) Benefits payable under programs that provide annuities for survivors of members and former members of the armed forces, including chapter 73 of title 10, section 4 of Public Law 92–425, and section 5 of Public Law 96–402.

''(4) Amounts payable under section 1048(h) of title 10.

''(b) AVAILABILITY OF ASSETS OF THE FUND.—The assets of the Fund are hereby made available for payments under subsection (a).

**''§ 444. Determination of contributions to the Fund**

''(a) INITIAL UNFUNDED LIABILITY.—(1) Not later than June 30, 2005, the Secretary shall determine the unfunded liability of the Fund attributable to service performed as of September 30, 2004, which is 'active service' for the purposes of section 212. The Secretary shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(b) ANNUAL CONTRIBUTIONS FOR CURRENT SERVICES.—(1) The Secretary shall determine each fiscal year, in sufficient time for inclusion in the budget request for the following fiscal year, the total amount of Department of Homeland Security, or Department of Defense, contributions to be made to the Fund during that fiscal year under section 445(a) of this title. That amount shall be the sum of the following:

''(A) The product of—

''(i) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (c)(1)(A) at the time of the most recent actuarial valuation under subsection (c); and

''(ii) the total amount of basic pay expected to be paid during that fiscal year to members of the Coast Guard on active duty (other than active duty for training).

''(B) The product of—

''(i) the current estimate of the value of the single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) to be determined under subsection (c)(1)(B) at the time of the most recent actuarial valuation under subsection (c); and

''(ii) the total amount of basic pay and compensation (paid pursuant to section 206 of title 37) expected to be paid during that fiscal year to members of the Coast Guard Ready Reserve (other than members on full-time Reserve duty other than for training) who are not otherwise described in subparagraph (A)(ii).

''(2) The amount determined under paragraph (1) for any fiscal year is the amount needed to be appropriated to the Department of Homeland Security for that fiscal year for payments to be made to the Fund during that year under section 445(a) of this title. The President shall include not less than the full amount so determined in the budget transmitted to Congress for that fiscal year under section 1105 of title 31. The President may comment and make recommendations concerning any such amount.

''(c) PERIODIC ACTUARIAL VALUATIONS.—(1) Not less often than every four years (or before the effective date of any statutory change affecting benefits payable on account of retirement, disability, or death to members of the Coast Guard or their survivors), the Secretary shall carry out an actuarial valuation of the Coast Guard military retirement and survivor benefit programs. Each actuarial valuation of such programs shall be signed by an enrolled actuary and shall include—

''(A) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for members of the Coast Guard on active duty (other than active duty for training); and

''(B) a determination (using the aggregate entry-age normal cost method) of single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) for members of the Ready Reserve of the Coast Guard (other than members on full-time Reserve duty other than for training) who are not otherwise described in subparagraph (A).

''(2) Such single level percentages shall be used for the purposes of subsection (b) and section 445(a) of this title.

''(d) USE OF GENERALLY ACCEPTED ACTUARIAL PRINCIPLES AND PRACTICES.—All determinations under this section shall be in accordance with generally accepted actuarial principles and practices and, where appropriate, shall follow the general pattern of methods and assumptions approved by the Department of Defense Retirement Board of Actuaries.

''(e) RECORDS.—The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Fund.

**''§ 445. Payments into the Fund**

''(a) MONTHLY ACCRUAL CHARGE FOR CURRENT SERVICES.—From amounts appropriated to the Coast Guard for salaries and expenses, the Secretary shall pay into the Fund at the end of each month as the Department of Homeland Security, or Department of Defense, contribution to the Fund for that month the amount that is the sum of the following:

''(1) The product of—

''(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 444(c)(1)(A) of this title (except that any statutory change in the military retirement and survivor benefit systems that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay accrued for that month by members of the Coast Guard on active duty (other than active duty for training).

''(2) The product of—

''(A) the level percentage of basic pay and compensation (accrued pursuant to section 206 of title 37) determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 444(c)(1)(B) of this title (except that any statutory change in the military retirement and survivor benefit systems that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37) accrued for that month by members of the Ready Reserve (other than members of full-time Reserve duty other than for training) who are not otherwise described in paragraph (1)(B).

''(b) ANNUAL PAYMENT FOR UNFUNDED LIABILITIES.—(1) At the beginning of each fiscal year, beginning on October 1, 2005, the Secretary shall certify to the Secretary of the Treasury the amount of the first installment under the most recent amortization schedule established under section 254(a). The Secretary of the Treasury shall promptly pay into the Fund from the General Fund of the Treasury the amount so certified. Such payment shall be the contribution to the Fund for that fiscal year.

**''§ 446. Investment of assets of the Fund**

''The Secretary may request the Secretary of the Treasury to invest such portion of the

Fund as is not, in the judgment of the Secretary, required to meet the current needs of the Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the Fund.''.

(2) TECHNICAL AMENDMENTS.—Such chapter is further amended—

(A) by amending the center heading after the table of sections to read as follows:

''SUBCHAPTER I—OFFICERS'';

(B) by amending the center heading after section 336 to read as follows:

''SUBCHAPTER II—ENLISTED MEMBERS'';

(C) by amending the center heading after section 373 to read as follows:

''SUBCHAPTER III—GENERAL PROVISIONS'';

and

(D) by amending the center heading after section 425 to read as follows:

''SUBCHAPTER IV—SPECIAL PROVISIONS''.

(3) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended—

(A) by striking ''OFFICERS'' at the beginning of the table and inserting ''SUBCHAPTER I—OFFICERS'';

(B) by striking ''ENLISTED MEMBERS'' after the item relating to section 336 and inserting ''SUBCHAPTER II—ENLISTED MEMBERS'';

(C) by striking ''GENERAL PROVISIONS'' after the item relating to section 373 and inserting ''SUBCHAPTER III—GENERAL PROVISIONS'';

(D) by striking ''SPECIAL PROVISIONS'' after the item relating to section 425 and inserting ''SUBCHAPTER IV—SPECIAL PROVISIONS''; and

(E) by adding at the end the following:

''SUBCHAPTER V—COAST GUARD MILITARY RETIREMENT FUND

''441. Establishment and purpose of Fund; definitions.
''442. Assets of the Fund.
''443. Payments from the Fund.
''444. Determination of contributions to the Fund.
''445. Payments into the Fund.
''446. Investment of assets of the Fund.''.

(b) IMPLEMENTATION YEAR EXCEPTIONS.—To avoid funding shortfalls in the first year of implementation of subchapter V of chapter 11 of title 14, United States Code, as added by subsection (a), if formal actuarial determinations are not available in time for budget preparation, the amounts used in the first year under sections 445(a)(1)(A) and 445(a)(2)(A) of such title shall be set equal to those estimates in sections 444(b)(1)(A)(i) and 444(b)(1)(B)(i), respectively, of such title if final determinations are not available. The original unfunded liability, as defined in section 444(a) of such title, shall include an adjustment to correct for this difference between the formal actuarial determinations and the estimates in sections 444(b)(1)(A)(i) and 444(b)(1)(B)(i) of such title.

(c) CONFORMING AMENDMENT.—Section 256(f) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(f)) is amended by striking ''Retired Pay, Coast Guard (69–0241–0–1–403)'' and inserting ''Coast Guard Military Retirement Fund (69–0241–01–403)''.

(d) TRANSFER OF EXISTING BALANCES.—

(1) TRANSFER.—There shall be transferred into the Fund on October 1, 2005, any obligated and unobligated balances of appropriations made to the Department of Homeland Security that are currently available for retired pay, and amounts so transferred shall be part of the assets of the Fund.

(2) FUND DEFINED.—For purposes of paragraph (1), the term ''Fund'' means the Coast Guard Military Retirement Fund established under section 441 of title 14, United States Code, as added by subsection (a).

(e) EFFECTIVE DATE.—Sections 443 (relating to payments from the Fund) and 445 (relating to payments into the Fund) of title 14, United States Code, as added by subsection (a), shall take effect on October 1, 2005.

**Subtitle B—Accrual Funding of Post-Retirement Health Benefits Costs for Federal Employees**

**SEC. 411. FEDERAL EMPLOYEES HEALTH BENEFITS FUND.**

(a) Section 8906 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (c)(1) and by adding at the end the following new paragraphs:

''(2) In addition to Government contributions required by subsection (b) and paragraph (1), each employing agency shall contribute amounts as determined by the Office to be necessary to prefund the accruing actuarial cost of post-retirement health benefits for each of the agency's current employees who are eligible for Government contributions under this section. Amounts under this paragraph shall be paid by the employing agency separate from other contributions under this section, from the appropriations or fund used for payment of the salary of the employee, on a schedule to be determined by the Office.

''(3) Paragraph (2) shall not apply to the United States Postal Service or the government of the District of Columbia.''; and

(2) by amending subsection (g)(1) to read as follows:

''(g)(1) Except as provided in paragraphs (2) and (3), all Government contributions authorized by this section for health benefits for an annuitant shall be paid from the Employees Health Benefits Fund to the extent that funds are available in accordance with section 8909(h)(6) and, if necessary, from annual appropriations which are authorized to be made for that purpose and which may be made available until expended.''.

(b) Section 8909 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(h)(1) Not later than June 30, 2006, the Office shall determine the existing liability of the Fund for post-retirement health benefits, excluding the liability of the United States Postal Service for service under section 8906(g)(2), under this chapter as of September 30, 2006. The Office shall establish an amortization schedule, including a series of annual installments commencing September 30, 2006, which provides for the liquidation of such liability by September 30, 2043.

''(2) At the close of each fiscal year, for fiscal years beginning after September 30, 2005, the Office shall determine the supplemental liability of the Fund for post-retirement health benefits, excluding the liability attributable to the United States Postal Service for service subject to section 8906(g)(2), and shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for liquidation of such supplemental liability over 30 years.

''(3) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles.

''(4) At the end of each fiscal year on and after September 30, 2006, the Office shall notify the Secretary of the Treasury of the amounts of the next installments under the most recent amortization schedules established under paragraphs (1) and (2). Before closing the accounts for the fiscal year, the Secretary shall credit the sum of these amounts (including in that sum any negative amount for the amortization of the supplemental liability) to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.

''(5) For the purpose of carrying out paragraphs (1) and (2), the Office shall perform or arrange for actuarial determinations and valuations and shall prescribe retention of such records as it considers necessary for making periodic actuarial valuations of the Fund.

''(6) Notwithstanding subsection (b), the amounts deposited into the Fund pursuant to this subsection and section 8906(c)(2) to prefund post-retirement health benefits costs shall be segregated within the Fund so that such amounts, as well as earnings and proceeds under subsection (c) attributable to them, may be used exclusively for the purpose of paying Government contributions for post-retirement health benefits costs. When such amounts are used in combination with amounts withheld from annuitants to pay for health benefits, a portion of the contributions shall then be set aside in the Fund as described in subsection (b).

''(7) Under this subsection, 'supplemental liability' means—

''(A) the actuarial present value for future post-retirement health benefits that are the liability of the Fund, less

''(B) the sum of—

''(i) the actuarial present value of all future contributions by agencies and annuitants to the Fund toward those benefits pursuant to section 8906;

''(ii) the present value of all scheduled amortization payments to the Fund pursuant to paragraphs (1) and (2);

''(iii) the Fund balance as of the date the supplemental liability is determined, to the extent that such balance is attributable to post-retirement benefits; and

''(iv) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles.''.

**SEC. 412. FUNDING UNIFORMED SERVICES HEALTH BENEFITS FOR ALL RETIREES.**

Title 10, United States Code, is amended—

(1) in the title of chapter 56, by striking ''**DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE**'' and inserting ''**UNIFORMED SERVICES**'';

(2) in section 1111—

(A) in subsection (a)—

(i) by striking ''Department of Defense Medicare-Eligible'' and inserting ''Uniformed Services'';

(ii) by striking ''Department of Defense under''; and

(iii) by striking ''for medicare-eligible beneficiaries'';

(B) in subsection (c)—

(i) by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall'';

(ii) by striking ''with any other'' and inserting ''with each'';

(iii) by striking ''Any such agreement'' and inserting ''Such agreements''; and

(iv) by striking ''administering Secretary may'' and inserting ''administrative Secretary shall'';

(3) in section 1113—

(A) in subsection (a)—

(i) by striking ''and are medicare eligible'';

(ii) by striking ''who are medicare eligible''; and

(iii) by adding at the end the following new sentence: ''For the fiscal year starting October 1, 2004, only, the payments will be solely for the costs of members or former members of a uniformed service who are entitled to retired or retainer pay and are medicare-eligible, and eligible dependents or survivors who are medicare-eligible.'';

(B) in subsection (c)(1), by striking ''who are medicare-eligible'';

(C) in subsection (d), by striking ''who are medicare-eligible''; and

(D) in subsection (f), by striking ''If'' and inserting ''When'';

(4) in section 1114, in subsection (a)(1), by striking ''Department of Defense Medicare-Eligible'' and inserting ''Uniformed Services'';

(5) in section 1115—

(A) in subsection (b)(2), by striking ''The amount determined under paragraph (1) for any fiscal year is the amount needed to be appropriated to the Department of Defense (or to the other executive department having jurisdiction over the participating uniformed service)'' and inserting ''The amount determined under paragraph (1), or the amount determined under section 1111(c) for a participating uniformed service, for any fiscal year, is the amount needed to be appropriated to the Department of Defense (or to any other executive department having jurisdiction over a participating uniformed service)'';

(B) in subsection (c)(2), by striking ''for medicare eligible beneficiaries''; and

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

''(f) For the fiscal year starting October 1, 2004, only, the amounts in this section shall be based solely on the costs of medicare-eligible benefits of beneficiaries and the costs for their eligible dependents or survivors who are medicare-eligible, and shall be recalculated thereafter to reflect the cost of beneficiaries defined in section 1111.''; and

(6) in section 1116—

(A) in subsection (a)(1)(A), by striking ''for medicare-eligible beneficiaries'';

(B) in subsection (a)(2)(A), by striking ''for medicare-eligible beneficiaries''; and

(C) in subsection (c), by striking ''subsection (a) shall be paid from funds available for the health care programs'' and inserting ''subsection (a) and section 1111(c) shall be paid from funds available for the pay of members of the participating uniformed services under the jurisdiction of the respective administering secretaries''.

**SEC. 413. EFFECTIVE DATE.**

Except as otherwise provided, this title shall take effect upon enactment with respect to fiscal years beginning after 2005.

**Subtitle C—Limit on the Public Debt**

**SEC. 421. FINDINGS.**

The Congress finds the following:

(1) Since 1997, Congress has paid down and retired approximately $450,000,000,000 of the Government's debt which was previously held by the public.

(2) This reduction in the Government's debt to the public should permit a lowering of the statutory debt ceiling. However, the statutory definition mingles both the public debt and intragovernment liabilities, the latter of which do not represent resource withdrawals for the economy.

(3) Intragovernment accounts such as the social security trust funds, the Civil Service Retirement and Disability Fund, the Department of Defense Military Retirement Fund, and the Unemployment Trust Fund constitute accrued liabilities of the Government which will be paid from future receipts, taxes, or borrowing. If the Government issues debt to the public to fund such liabilities in the future, that debt will properly be subject to the debt ceiling.

(4) Properly defining the debt of the Government would permit lowering the debt ceiling to take account of, and lock in, the fiscal progress that has been made.

**SEC. 422. PURPOSE.**

It is the purpose of this subtitle to properly define the public debt to exclude intragovernment obligations.

**SEC. 423. LIMIT ON PUBLIC DEBT.**

Section 3101 of title 31, United States Code, is amended to read as follows:

**''§ 3101. Public debt limit**

''(a) In this section, the current redemption value of an obligation issued on a discount basis and redeemable before maturity at the option of its holder is deemed to be the face amount of the obligation.

''(b) The face amount of obligations issued under this chapter and the face amount of obligations whose principal and interest are guaranteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury and intragovernmental holdings) may not be more than $4,393,000,000,000 outstanding at one time, subject to changes periodically made in that amount as provided by law.

''(c) For purposes of this section, the face amount, for any month, of any obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

''(1) the original issue price of the obligation, plus

''(2) the portion of the discount on the obligation attributable to periods before the beginning of such month (as determined under the principles of section 1272(a) of the Internal Revenue Code of 1986 without regard to any exceptions contained in paragraph (2) of such section).

''(d) For purposes of this section, the term 'intragovernment holding' is any obligation issued by the Secretary of the Treasury to any Federal trust fund or Government account, whether in respect of public money, money otherwise required to be deposited in the Treasury, or amounts appropriated.''.

**Subtitle D—Risk-assumed Budgeting**

**SEC. 431. FEDERAL INSURANCE PROGRAMS.**

(a) IN GENERAL.—The Congressional Budget Act of 1974 is amended by adding after title V the following new title:

**''TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS**

**''SEC. 602. BUDGETARY TREATMENT.**

''(a) PRESIDENT'S BUDGET.—Beginning with fiscal year 2011, the budget of the Government pursuant to section 1105(a) of title 31, United States Code, shall be based on the risk-assumed cost of Federal insurance programs.

''(b) BUDGET ACCOUNTING.—For any Federal insurance program—

''(1) the program account shall—

''(A) pay the risk-assumed cost borne by the taxpayer to the financing account, and

''(B) pay actual insurance program administrative costs;

''(2) the financing account shall—

''(A) receive premiums and other income,

''(B) pay all claims for insurance and receive all recoveries,

''(C) transfer to the program account on not less than an annual basis amounts necessary to pay insurance program administrative costs;

''(3) a negative risk-assumed cost shall be transferred from the financing account to the program account, and shall be transferred from the program account to the general fund; and

''(4) all payments by or receipts of the financing accounts shall be treated in the budget as a means of financing.

''(c) APPROPRIATIONS REQUIRED.—(1) Notwithstanding any other provision of law, insurance commitments may be made for fiscal year 2011 and thereafter only to the extent that new budget authority to cover their risk-assumed cost is provided in advance in an appropriation Act.

''(2) An outstanding insurance commitment shall not be modified in a manner that increases its risk-assumed cost unless budget authority for the additional cost has been provided in advance.

''(3) Paragraph (1) shall not apply to Federal insurance programs that constitute entitlements.

''(d) REESTIMATES.—The risk-assumed cost for a fiscal year shall be reestimated in each subsequent year. Such reestimate can equal zero. In the case of a positive reestimate, the amount of the reestimate shall be paid from the program account to the financing account. In the case of a negative reestimate, the amount of the reestimate shall be paid from the financing account to the program account, and shall be transferred from the program account to the general fund. Reestimates shall be displayed as a distinct and separately identified subaccount in the program account.

''(e) ADMINISTRATIVE EXPENSES.—All funding for an agency's administration of a Federal insurance program shall be displayed as a distinct and separately identified subaccount in the program account.

**''SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL BUDGETING FOR FEDERAL INSURANCE PROGRAMS.**

''(a) AGENCY REQUIREMENTS.—Agencies with responsibility for Federal insurance programs shall develop models to estimate their risk-assumed cost by year through the budget horizon and shall submit those models, all relevant data, a justification for critical assumptions, and the annual projected risk-assumed costs to OMB with their budget requests each year starting with the request for fiscal year 2007. Agencies will likewise provide OMB with annual estimates of modifications, if any, and reestimates of program costs.

''(b) DISCLOSURE.—When the President submits a budget of the Government pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2007, OMB shall publish a notice in the Federal Register advising interested persons of the availability of information describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it or other executive branch entities would use to estimate the risk-assumed cost of Federal insurance programs and giving such persons an opportunity to submit comments. At the same time, the chairman of the Committee on the Budget shall publish a notice for CBO in the Federal Register advising interested persons of the availability of information describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it would use to estimate the risk-assumed cost of Federal insurance programs and giving such interested persons an opportunity to submit comments.

''(c) REVISION.—(1) After consideration of comments pursuant to subsection (b), and in consultation with the Committees on the Budget of the House of Representatives and the Senate, OMB and CBO shall revise the models, data, and major assumptions they would use to estimate the risk-assumed cost of Federal insurance programs.

''(2) When the President submits a budget of the Government pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2008, OMB shall publish a notice in the Federal Register advising interested persons of the availability of information describing the models, data (including

sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it or other executive branch entities used to estimate the risk-assumed cost of Federal insurance programs.

''(d) DISPLAY.—

''(1) IN GENERAL.—For fiscal years 2008, 2009, and 2010 the budget submissions of the President pursuant to section 1105(a) of title 31, United States Code, and CBO's reports on the economic and budget outlook pursuant to section 202(e)(1) and the President's budgets, shall for display purposes only, estimate the risk-assumed cost of existing or proposed Federal insurance programs.

''(2) OMB.—The display in the budget submissions of the President for fiscal years 2008, 2009, and 2010 shall include—

''(A) a presentation for each Federal insurance program in budget-account level detail of estimates of risk-assumed cost;

''(B) a summary table of the risk-assumed costs of Federal insurance programs; and

''(C) an alternate summary table of budget functions and aggregates using risk-assumed rather than cash-based cost estimates for Federal insurance programs.

''(3) CBO.—In the second session of the 109th Congress and the 110th Congress, CBO shall include in its estimates under section 308, for display purposes only, the risk-assumed cost of existing Federal insurance programs, or legislation that CBO, in consultation with the Committees on the Budget of the House of Representatives and the Senate, determines would create a new Federal insurance program.

''(e) OMB, CBO, AND GAO EVALUATIONS.—(1) Not later than 6 months after the budget submission of the President pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2010, OMB, CBO, and GAO shall each submit to the Committees on the Budget of the House of Representatives and the Senate a report that evaluates the advisability and appropriate implementation of this title.

''(2) Each report made pursuant to paragraph (1) shall address the following:

''(A) The adequacy of risk-assumed estimation models used and alternative modeling methods.

''(B) The availability and reliability of data or information necessary to carry out this title.

''(C) The appropriateness of the explicit or implicit discount rate used in the various risk-assumed estimation models.

''(D) The advisability of specifying a statutory discount rate (such as the Treasury rate) for use in risk-assumed estimation models.

''(E) The ability of OMB, CBO, or GAO, as applicable, to secure any data or information directly from any Federal agency necessary to enable it to carry out this title.

''(F) The relationship between risk-assumed accrual budgeting for Federal insurance programs and the specific requirements of the Balanced Budget and Emergency Deficit Control Act of 1985.

''(G) Whether Federal budgeting is improved by the inclusion of risk-assumed cost estimates for Federal insurance programs.

''(H) The advisability of including each of the programs currently estimated on a risk-assumed cost basis in the Federal budget on that basis.

**''SEC. 604. DEFINITIONS.**

''For purposes of this title:

''(1) The term 'Federal insurance program' means a program that makes insurance commitments and includes the list of such programs included in the joint explanatory statement of managers accompanying the conference report on the Comprehensive Budget Process Reform Act of 1999.

''(2) The term 'insurance commitment' means an agreement in advance by a Federal agency to indemnify a nonfederal entity against specified losses. This term does not include loan guarantees as defined in title V or benefit programs such as social security, medicare, and similar existing social insurance programs.

''(3)(A) The term 'risk-assumed cost' means the net present value of the estimated cash flows to and from the Government resulting from an insurance commitment or modification thereof.

''(B) The cash flows associated with an insurance commitment include—

''(i) expected claims payments inherent in the Government's commitment;

''(ii) net premiums (expected premium collections received from or on behalf of the insured less expected administrative expenses);

''(iii) expected recoveries; and

''(iv) expected changes in claims, premiums, or recoveries resulting from the exercise by the insured of any option included in the insurance commitment.

''(C) The cost of a modification is the difference between the current estimate of the net present value of the remaining cash flows under the terms of the insurance commitment, and the current estimate of the net present value of the remaining cash flows under the terms of the insurance commitment as modified.

''(D) The cost of a reestimate is the difference between the net present value of the amount currently required by the financing account to pay estimated claims and other expenditures and the amount currently available in the financing account. The cost of a reestimate shall be accounted for in the current year in the budget of the Government pursuant to section 1105(a) of title 31, United States Code.

''(E) For purposes of this definition, expected administrative expenses shall be construed as the amount estimated to be necessary for the proper administration of the insurance program. This amount may differ from amounts actually appropriated or otherwise made available for the administration of the program.

''(4) The term 'program account' means the budget account for the risk-assumed cost, and for paying all costs of administering the insurance program, and is the account from which the risk-assumed cost is disbursed to the financing account.

''(5) The term 'financing account' means the nonbudget account that is associated with each program account which receives payments from or makes payments to the program account, receives premiums and other payments from the public, pays insurance claims, and holds balances.

''(6) The term 'modification' means any Government action that alters the risk-assumed cost of an existing insurance commitment from the current estimate of cash flows. This includes any action resulting from new legislation, or from the exercise of administrative discretion under existing law, that directly or indirectly alters the estimated cost of existing insurance commitments.

''(7) The term 'model' means any actuarial, financial, econometric, probabilistic, or other methodology used to estimate the expected frequency and magnitude of loss-producing events, expected premiums or collections from or on behalf of the insured, expected recoveries, and administrative expenses.

''(8) The term 'current' has the same meaning as in section 250(c)(9) of the Balanced Budget and Emergency Deficit Control Act of 1985.

''(9) The term 'OMB' means the Director of the Office of Management and Budget.

''(10) The term 'CBO' means the Director of the Congressional Budget Office.

''(11) The term 'GAO' means the Comptroller General of the United States.

**''SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS; ACTUARIAL COST ACCOUNT.**

''(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $600,000 for each of fiscal years 2005 through 2010 to the Director of the Office of Management and Budget and each agency responsible for administering a Federal program to carry out this title.

''(b) TREASURY TRANSACTIONS WITH THE FINANCING ACCOUNTS.—The Secretary of the Treasury shall borrow from, receive from, lend to, or pay the insurance financing accounts such amounts as may be appropriate. The Secretary of the Treasury may prescribe forms and denominations, maturities, and terms and conditions for the transactions described above. The authorities described above shall not be construed to supersede or override the authority of the head of a Federal agency to administer and operate an insurance program. All the transactions provided in this subsection shall be subject to the provisions of subchapter II of chapter 15 of title 31, United States Code. Cash balances of the financing accounts in excess of current requirements shall be maintained in a form of uninvested funds, and the Secretary of the Treasury shall pay interest on these funds.

''(c) APPROPRIATION OF AMOUNT NECESSARY TO COVER RISK-ASSUMED COST OF INSURANCE COMMITMENTS AT TRANSITION DATE.—(1) A financing account is established on September 30, 2010, for each Federal insurance program.

''(2) There is appropriated to each financing account the amount of the risk-assumed cost of Federal insurance commitments outstanding for that program as of the close of September 30, 2010.

''(3) These financing accounts shall be used in implementing the budget accounting required by this title.

**''SEC. 606. EFFECTIVE DATE.**

''(a) IN GENERAL.—This title shall take effect immediately and shall expire on September 30, 2012.

''(b) SPECIAL RULE.—If this title is not reauthorized by September 30, 2012, then the accounting structure and budgetary treatment of Federal insurance programs shall revert to the accounting structure and budgetary treatment in effect immediately before the date of enactment of this title.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 507 the following new items:

''TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS

''Sec. 601. Short title.
''Sec. 602. Budgetary treatment.
''Sec. 603. Timetable for implementation of accrual budgeting for Federal insurance programs.
''Sec. 604. Definitions.
''Sec. 605. Authorizations to enter into contracts; actuarial cost account.
''Sec. 606. Effective date.''.

## TITLE V—MAINTAINING A COMMITMENT TO THE FAMILY BUDGET

### Subtitle A—Further Enforcement Amendments

**SEC. 501. SUPER-MAJORITY POINTS OF ORDER IN THE HOUSE OF REPRESENTATIVES AND THE SENATE.**

(a) Section 904 of the Congressional Budget Act of 1974 is amended as follows:

(1) In subsection 904(c)(1), insert ''312(g), (h), (i), and (j),'' before ''313,'', and insert ''316, 318,'' before ''904(c),''.

(2) In subsection (c) strike ''three-fifths'' each place it appears and insert ''two-thirds''.

(3)(A) In subsection (d)(2), insert ''312(g), (h), (i), and (j),'' before ''313,'', and insert ''316, 318,'' before ''904(c),''.

(B) In subsection (d), strike ''three-fifths'' each place it appears and insert ''two-thirds''.

(4)(A) In subsections (c)(2) and (d)(3), strike ''311(a),''.

(B) In subsections (c)(1) and (d)(2) insert ''311(a),'' after ''310(d)(2),''.

(5) In subsections (c)(1), (c)(2), (d)(2), and (d)(3) by inserting ''or the House of Representatives'' after ''Senate'' each place it appears.

(6) In subsection (e), strike ''2002'' and insert ''2010''.

**SEC. 502. BUDGET RESOLUTION ENFORCEMENT POINT OF ORDER.**

(a) ENTITLEMENT POINT OF ORDER.—Section 312 of the Congressional Budget Act of 1974 (as amended by section 221(d)) is further amended by adding at the end the following new subsection:

''(j) BUDGET RESOLUTION ENFORCEMENT POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any joint resolution on the budget for a fiscal year, or amendment thereto or conference report thereon, that—

''(1) is not consistent with the discretionary spending limits set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

''(2) provides for an increase in the aggregate level of direct spending for the fiscal year of the resolution or any ensuing fiscal year included in such resolution.''.

**SEC. 503. POINT OF ORDER WAIVER PROTECTION.**

Rule XIII of the Rules of the House of Representatives is amended by adding at the end the following new clause:

''8. (a) It shall not be in order to consider a rule or order that would waive waive the provisions of any section of the Congressional Budget Act of 1974 referred to in section 904(c)(1) of such Act or of section 302 of the Family Budget Protection Act of 2004.

''(b) As disposition of a point of order under paragraph (a), the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order. A question of consideration under this clause shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent of the point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

''(c) The disposition of the question of consideration under this clause with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this clause with respect to an amendment made in order as original text.''.

**Subtitle B—The Byrd Rule**

**SEC. 511. LIMITATION ON BYRD RULE.**

(a) PROTECTION OF CONFERENCE REPORTS.—Section 313 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (b)(1), by striking subparagraph (E) through the semicolon at the end thereof and by redesignating subparagraph (F) as subparagraph (E);

(2) in subsection (c), by striking ''and again upon the submission of a conference report on such a reconciliation bill or resolution,'';

(3) by striking subsection (d);

(4) by redesignating subsection (e) as subsection (d); and

(5) in subsection (e), as redesignated—

(A) by striking '', motion, or conference report'' the first place it appears and inserting '', or motion''; and

(B) by striking '', motion, or conference report'' the second and third places it appears and inserting ''or motion''.

(b) CONFORMING AMENDMENT.—The first sentence of section 312(e) of the Congressional Budget Act of 1974 is amended by inserting '', except for section 313,'' after ''Act''.

**Subtitle C—Treatment of Extraneous Appropriations in Omnibus Appropriation Measures**

**SEC. 521. TREATMENT OF EXTRANEOUS APPROPRIATIONS.**

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 (as amended by section 127(a)) is further amended by adding at the end the following new section:

''TREATMENT OF EXTRANEOUS APPROPRIATIONS IN OMNIBUS APPROPRIATION MEASURES

''SEC. 319. (a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider an omnibus appropriation measure, or any amendment thereto or conference report thereon, that appropriates funds for any program, project, or activity that is not within the subject-matter jurisdiction of any subcommittee of the Committee on Appropriations of the House of Representatives or Senate, as applicable, with jurisdiction over any regular appropriation bill contained in such measure.

''(b) DEFINITIONS.—As used in this section:

''(1) The term 'omnibus appropriation measure' means any bill or joint resolution making continuing appropriations for a fiscal year and that is comprised of more than one regular appropriation bills.

''(2) The term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

''(A) Agriculture, rural development, Food and Drug Administration, and related agencies programs.

''(B) The Departments of Commerce, Justice, and State, the Judiciary, and related agencies.

''(C) The Department of Defense.

''(D) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

''(E) Energy and water development.

''(F) Foreign operations, export financing, and related programs.

''(G) The Department of Homeland Security.

''(H) The Department of the Interior and related agencies.

''(I) The Departments of Labor, Health and Human Services, and Education, and related agencies.

''(J) The Legislative Branch.

''(K) Military construction, family housing, and base realignment and closure for the Department of Defense.

''(L) The Departments of Transportation and Treasury, and independent agencies.

''(M) The Departments of Veterans Affairs and Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 318 the following new item:

''Sec. 319. Treatment of extraneous appropriations in omnibus appropriation measures.''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, how much government is enough? Can we ever have enough? It seems many Members in this Chamber would say no. They seem to believe there should be no limit to the size, to the power, to the expense of the Federal Government.

Mr. Chairman, the Founding Fathers disagreed. They believed in limited government. They warned us of the pitfalls of allowing government to grow out of control. James Madison wrote in the Federalist Papers: ''There will be little avail to the people that laws are made by men of their own choice if the laws be so voluminous that they cannot be read or so incoherent they cannot be understood.''

Thomas Jefferson wrote that the natural progress of things is for liberty to yield and for government to gain ground.

Well, Mr. Chairman, just how much ground has government gained? Since I was born, the Federal budget has grown seven times faster than the family budget, as you can see from the attached chart. For only the fourth time in the history of our Nation, the Federal Government is now spending over $20,000 per household. This figure is up from $16,000 per household just 5 years ago. This represents the largest expansion of the Federal Government in 50 years.

Last year what we call mandatory spending reached 11 percent of our economy for the first time ever. Nondefense discretionary spending is now almost 4 percent of the economy for the first time in 20 years.

In fact, almost every major department of the government has grown precipitously way beyond the rate of inflation. By any reasonable measure, spending is out of control. And when we get more government, we get less freedom, fewer opportunities, fewer opportunities for Americans to choose the best health care for their families, to choose the best educational opportunities for their children, or to find the best job in a competitive market economy. You cannot have unlimited government and unlimited opportunity.

What else do we get for all this government spending? Unfortunately, we get a lot of waste, fraud, abuse, and duplication.

Until recently, Medicare had routinely paid as much as five times for a wheelchair as the VA had, simply because one would bid competitively and the other did not. In the last year of the Clinton administration, HUD wasted over 10 percent of their budget, $3 billion just lost making improper payments to people who did not qualify.

We have spent almost $800,000 on an outhouse in one national park, and it did not even work. We have over 342

different economic development programs in the Federal Government, and by the way, what does the Federal Government know about economic development anyway?

We are just scratching the surface here. Example after example shows that many Federal programs routinely waste 5, 10, 15, even 20, percent of their taxpayer-funded budgets in the last 4 decades. Government is inherently wasteful. It does almost nothing as well as we the people; and until we limit it, we will never prioritize, much less root out, the waste, the fraud, the abuse, the duplication that permeates every corner of the Federal Government and robs every family.

Recently, many of us in this Chamber spoke very eloquently about the legacy of President Ronald Reagan. Well, Mr. Chairman, I would remind us that it was President Reagan who said the answer to a government that is too big is to stop feeding its growth.

It was President Reagan who said we can no longer afford things simply because we think of them, and it was President Reagan who stood in this Chamber and called on Congress to limit government and fix a broken-down budget process.

Now, there are many ways that we can honor the memory of President Reagan. Tonight, I can think of no better way than passing the bill that would accomplish his dream.

Mr. Chairman, the time to act is now. We have the opportunity to realize the vision of Ronald Reagan, or we can continue with the largest expansion of government in 50 years. We can protect the family budget from the Federal budget, or we can continue to operate under a budget process that only serves to grow bigger and bigger government.

That is why, along with my colleagues, the gentleman from California (Mr. COX), the gentleman from Wisconsin (Mr. RYAN), the gentleman from Indiana (Mr. CHOCOLA), I offer as a substitute the Family Budget Protection Act, along with more than a hundred cosponsors.

And our bill has two simple propositions. Number one, it says the Federal budget should not grow faster than the family budget. Quite simply, there should be some ceiling on the growth of government. At some point we say enough is enough. We will take no more money away from American families.

Secondly, it says if Congress passes a budget, it ought to abide by the budget. It ought to enforce the budget. It ought to live by the budget. It is really that simple.

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

Mr. NUSSLE. Mr. Chairman, I claim the time in opposition, and I ask unanimous consent that the gentleman from South Carolina (Mr. SPRATT) be yielded half of that time.

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

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, I yield myself 2 minutes.

For those who have voted against the previous amendments dealing with automatic extension of continuing resolutions, dealing with expedited rescission, for various other reasons they should be aware that this budget reincorporates all of those other provisions which they found onerous and objectionable in the past and would instate them in a bigger bill.

The chief feature of this bill which is objectionable is the effort it makes to put a cap on entitlement spending. According to the Center on Budget and Policy Priorities, if enacted, this particular provision would trigger the most severe budget cuts in modern history, calculation by which it would require entitlement cuts of $1.8 trillion over the next 10 years.

There are a couple of things to be aware of. When they say they are capping entitlement, they are capping not only entitlements like Medicare, Medicaid; they are also capping interest on the national debt. So one can have a result that certain Members would seek to have a large tax cut and succeed, which would increase the deficit and, therefore, increase the national debt and result in higher interest payments. And those interest payments would then have to be accommodated within the cap that will be imposed on entitlement spending.

Take also the level at which the cap is set and how it treats the Medicare program. The cost of the new Medicare drug benefit enacted last year to real spending occurs until the year 2006. The cap will be set at 2005 spending levels. So there will be a substantial amount of additional spending for Medicare which will have to be recouped from cuts in entitlements like Medicare.

This bill is full of anomalies that could have disastrous effect upon the programs in this country upon which people depend.

I will come back and explain further why this bill should be defeated soundly.

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

Mr. HENSARLING. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I would like to address a few of the things that the gentleman from South Carolina said. As far as the estimate on the $1.8 trillion cut, that is not accurate for this bill. Number one, this bill addresses those issues that were raised in that estimate. Number two, entitlement spending will go up. It will go up by the number of beneficiaries coming to these programs, it will go up by inflation, and medical inflation in Medicare's instance. And we do take care of putting into the baseline the new prescription drug benefit.

I would like to just quickly go through the summary of what this legislation actually accomplishes in a very, very quick order. Number one, what this budget does is it raises the budget to the point of law by making a joint budget resolution so we do not have these stalemates at the end of Congress every year like we do.

It also has a one-page budget so it is easier for the Congress, the House, the Senate, and the President to agree on a budget at the beginning of the session. It also abolishes the practice of designating everything as emergencies. One of the problems we have is we can designate just about anything an emergency. The census was designated an emergency. We knew that one was coming.

So what we are trying to do is tighten up that definition so true emergencies are designated emergencies. We go to biennial budget so that we do our budgeting in the first year of our cycle, and then in the second year we conduct oversight. We think that Congress does not do nearly enough government oversight into how our taxpayers' dollars are being spent.

We also have government shut-down protection so that, if for some reason we have this brinksmanship which has been common around here, we do not hold hostage government workers and shut down the government. We keep things going with an automatic continuing resolution.

We also have very important spending caps which we have been talking about on discretionary and entitlement spending. It will take two-thirds of a vote in Congress to break those spending caps. This is the real heart of this bill so that we do not violate our spending caps. Because all too often, we will pass a budget, we will set spending caps, lo and behold, a couple months go by, we break the spending caps.

In this bill, it takes two-thirds of the vote in the House and Senate to break those spending caps. We also protect ourselves from the point of order so we here in this body, unlike those in the other body who can have this power, we can raise points of order if they try to waive points of the Budget Act so that House Members can also play a role in enforcing the budget act. We also make sure we amend the Byrd Rule so we do not have temporary tax cuts. That was an arcane rule that occurred that is now giving us the largest tax increase we will ever see if we fail to make these tax cuts permanent.

We also try and clean up this omnibus appropriation problem so we do not bundle all these big bills that we have at the end of the cycle. For instance, last year 7 appropriations bills bundled into one bill. Each of us on the floor had one vote up or down on half of the discretionary spending in the Federal Government.

We also have very important spending control provisions. We talked about some of these. Discretionary caps, having the ability to save money when you

bring amendments to the floor to stop wasteful spending. Having the ability to make sure that we can give the President the power to take bad, wasteful spending out of the budget.

We also have an amendment that did pass already which is a commission to look at all of our Federal programs with respect to our earned entitlements, but also have a sunset in law of our programs on a rotating basis so that Congress actually does its oversight to see if the programs we have in our Federal Government are really meeting the spirit of the original intent of the law or whether they are really serving our constituents and serving our taxpayers so that we can make sure that no wasteful spending continues in this government.

□ 2215

The problem we have basically is that our budget process is not a clean process. It is not a functional process. It is not honest. It is not transparent, and we want to make it so.

We want to pass a budget and stick to a budget. We want to make sure that the American people really see how their money is being spent, and we want to make sure that those of us who want to see wasteless spending go away have the tools in which we can do that. That is what we are trying to accomplish with this bill.

What we simply want is the ability to treat our constituents' money like it ought to be treated. It is their money. That is what we are trying to do. It is a very big bill and project. We have 102 cosponsors. I urge passage of this substitute amendment.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I do not know what is happening to this institution. We work a couple of days a week. We cannot even get a budget resolution passed. It is overdue by months, and then we get these amendments that are really designed to eliminate the appropriations process, as though we have no capacity to apply judgment to the decisions that we have to make.

Would it not be nice if the world was as simple as this? Let us just impose entitlement caps. Let us give it all over to the President, for example. We cite waste, fraud and abuse as though that is the problem. The Republican party controls the White House. They control the Senate. They control the House. Eliminate waste, fraud and abuse if that is the problem.

The real problem is that we are not willing to make the tough decisions that have to be made, and now they are suggesting an entitlement cap.

We have done an analysis of this entitlement cap. Over the next decade it would take $674 billion out of Medicare, $332 billion out of Medicaid, $100 billion out of Federal civilian retirement, $60 billion out of unemployment comp, $56 billion out of military retirement. I could go on and on, $45 billion out of veterans benefits, $11 billion out of TRICARE For Life, and on and on.

This is not the way to run a government. These are important programs. Make the tough decisions. To put in an amendment like this that supposedly limits entitlement programs so that we are going to all of the sudden solve the budget crisis, we have a budget crisis because we are not willing to balance our responsibilities to limit tax cuts and to limit spending at the same time. We know that is what has to be done, but now we are in a budget crisis. We are going to have $4.5 trillion of debt, and the answer is not to make it worse by putting in an entitlement cap.

This is one of the worst amendments that we have had presented all night in a long string of simplistic, irresponsible amendments that consumes our time. We will have another opportunity to take another shot at this.

Mr. HENSARLING. Mr. Chairman, I yield myself 15 seconds.

I am not sure which bill the gentleman was reading. He appears not to have read this one. Every single government program grows some by a factor of inflation. No government program is cut here, only the rate of growth. However, the gentleman and other gentlemen and ladies on that side of the aisle in the last budget resolution voted for an extra trillion dollars in spending.

Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. CHOCOLA), a coauthor.

Mr. CHOCOLA. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I came to Congress from the business world, and my first impression when I got here is that Congress, as a whole, is a lot like 535 general managers with no CEO. With all due respect to the Speaker and our leadership, there is no individual who can set spending priorities in the face of limited resources. We do not have a leadership problem here. We have a process problem.

When we take the facts, combined together that our budget process does not contain any of the realities that every family and every business in America faces; combined with the fact that our process is not enforceable; combined with the fact that our process only measures success by how much money we spend, never by how well we spend it; combined with the fact that people in this Chamber will come down here with a straight face and say that smaller increases are actually cuts; if we combine those facts with human nature, what we have is a lack of fiscal discipline and runaway spending.

I used to be a chairman of a publicly traded company, and if I accounted for and budgeted for my business the way government accounts and budgets for its business, I would, at best, be bankrupt and fired. I would more than likely be in jail. I find it very ironic when Members of Congress lecture business executives about truth in accounting and the importance of integrity in financial disclosure.

Mr. Chairman, what we need is a budget process that provides a framework of discipline. It simply fixes the process. It strengthens our enforcement tools. It requires truth in accounting, increases accountability and combats waste, fraud and abuse, and this is exactly what this amendment does. I encourage all of my colleagues to support it.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, we have a lot of energetic young legislators earnestly talking about budgets. I have got some advice for them. We do not have a budget this year. Their party, Republican party, controls the White House. They are part of the House majority. Their party controls the Senate. All these high-falutin ideas you bundled in this bill are not going to go anywhere. You ought to put your efforts where it might matter, getting a budget this year, getting a budget this year. The majority cannot produce a budget this year, and yet they run us out on a day-long adventure full of ill-founded ideas.

The gentleman from Texas speaks movingly about a budget, but in reality what he is proposing is very close scrutiny. I do not think I have seen a more irresponsible budget plan proposed in this House. He would propose excruciating cuts on essential programs while allowing any tax cut that might ever be passed irrespective of consequences to the deficit to go without check.

What are the spending cuts proposed? The Center For Budget Priorities analyzes that over 10 years, $674 billion in Medicare reduction. At time when we are in the military conflict, they come after veterans with a vengeance: military retirement, $56 billion in cuts; veterans benefits, $45 billion in cuts; TRICARE For Life, $11 billion for cuts. These are calculated on the proportional reductions that you have to make across mandatory spending programs that I know do not stop there. Nutrition programs for the little children of this country, reduced $19 billion in the gentleman's proposal. Cutting food for children.

Beyond that, student loans. At a time when our college tuitions are soaring, as our families know all across the country, proportional reductions would be $9 billion in student loan funding.

I believe this is a mean-spirited, ill-advised amendment. I urge my colleagues to vote "no."

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

Let me just take a minute to respond briefly to one of the comments from the gentleman, and we can have an honest disagreement about substitute amendments and all sorts of things on

the floor today, but we do have a conference report on the budget. That conference report on the budget was passed by the House of Representatives. That conference report on the budget was deemed to be the budget for the House of Representatives. The chairman of the Committee on Appropriations is operating under that budget that was passed by the House of Representatives. We have a budget.

What we are not sure we have is the other body. They have not acted. They have not even brought it to a vote. I do not know what they are doing. I can understand the gentleman's frustration. I share that frustration. We hear that a certain party may be in the majority over there, but from time to time that does not always manifest itself.

But we have a budget. We will operate under that budget. It is a budget that ensures that we can strengthen our economy and keep it growing; that we can protect our country; and that we can make sure that our important priorities are funded. We have a budget. Those who continue to say we do not have a budget, it is simply not correct.

The fact that the other body has not yet voted on a budget is for them to answer, not for us to answer here tonight, and be that as it may, let me just make one other point.

They are not arguing over the spending levels. The arguments are over technical amendments that the other body put on to control their own process because they were having a difficult time managing it, not anything that binds the House. We are not bound by that particular challenge that the other body is wrestling with.

We have a budget. It has been deemed the budget. We will operate under that budget, and so I just wanted to correct the record and remind all of us that we will continue to operate under the rules of that budget.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. WALDEN of Oregon). Members are reminded to refrain from improper references to the Senate.

Mr. NUSSLE. Mr. Chairman, I need a refresher. I keep referring to it as the other body. What am I saying wrong? I want to know. When they do not pass the budget, I guess I have been trying to be as polite as possible.

The CHAIRMAN pro tempore. The gentleman is reminded not to refer to Senate action or inaction, whether he calls it the Senate or the other body.

Who yields time?

Mr. SPRATT. Mr. Chairman, I yield 15 seconds to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I have no malice at my friends on the other side, but this is no laughing matter. They do not have a budget under the Budget Act without the House and the Senate passing versions, coming to agreement in conference committee and passing the final budget.

Mr. HENSARLING. Mr. Chairman, can I inquire as to the time I have remaining?

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. HENSARLING) has 4 minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. COX), a coauthor of the amendment.

Mr. COX. Mr. Chairman, the House voted today to recognize and commemorate the 40th anniversary of the Civil Rights Act of 1964, a law that was approved with broad bipartisan support and that has proven its worth in enforcing the principles of freedom and individual rights that undergird our Nation.

We commemorate a much sadder anniversary today, the 30th anniversary of the Budget Act of 1974. Unlike the Civil Rights Act, which was a bipartisan achievement approved with over 80 percent of Republican support and 62 percent of Democrat support, the 1974 Budget Act was approved over the strong objections of Republicans. The results of the Budget Act have been precisely what Republicans predicted.

The House Policy Committee, which I chair, criticized the current budget process even before it took effect in 1973 and predicted precisely the runaway spending it would enable.

In 1973, policy chairman John Rhodes issued a statement of the official position of House Republicans that said, ''Any limitation on expenditures should cover not only budgetary outlays handled through the Appropriations Committee, but also programs funded separately from the annual appropriations process.'' The 1974 Budget Act decided to ignore that advice, and in every year since, we have suffered from runaway Federal spending.

In 1975, after the first year, the Policy Committee issued another statement reflecting on what a miserable failure the new Budget Act had been in organizing the process. ''Major legislative efforts are needed,'' the Policy Committee said at that time, ''to rein in 'uncontrollable' items and to establish a new pattern of legislative authorizations and appropriations.'' The Congress has never yet fixed this problem, and in every year since 1974, we have suffered from runaway government spending.

This legislation is about protecting the right of Americans to see their tax dollars wisely spent. It is about getting rid of a legislative contraption that has proved over 30 years it is utterly incapable of producing the budget that the minority wishes we had between the House and Senate. It is about getting rid of a budget process that has grown our Federal Government from less than $1 trillion when I first became a Member of Congress not many years ago to over $2 trillion today.

Our economy has not doubled. Our population has not doubled, but what has happened is our government is growing at rates that far outstrip the economy which supports it.

This ongoing displacement of the private sector by government is driven inexorably by the one-way leftward ratchet we euphemistically refer to as the budget process.

It is time to junk this contraption which does not work. It is time to protect the family budget. It is time to make the tough choices between government and the people and bring fiscal sanity and honest accounting back to Washington.

□ 2230

It is time to vote ''aye'' on the Hensarling amendment.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I want to correct the record. Earlier I said that the Center on Budget and Policy Priorities had done an analysis of this proposal and found that it would cut entitlement programs like Medicare and Medicare and TRICARE for Life by $1.8 trillion over the next 10 years. They have done a revised study. It was correct. They have revised that study and their revised study shows that the cut will only be $1.551 trillion. That is in entitlement programs. It comes out of child nutrition, its comes out of TRICARE for Life, it comes out of veterans benefits. Across the board people will be hurt.

I did not mention earlier the discretionary spending. Discretionary spending in the Hensarling proposal would increase each year at 2.1 percent a year. At the end of the 10-year period of time, because they take it out of the full 10-year time frame, this substitute would limit discretionary spending to $220 billion below what the President has recommended. And one of the reasons we do not have a budget right now is we are still struggling with the numbers the President has prepared, trying to bring it within the framework of what he has recommended.

So this would have severe consequences; and it would have severe consequences upon, in the words of the AARP, the health and economic security of millions of vulnerable Americans.

Finally, to remind everyone, if you voted against the automatic continuing resolution, if you voted against the joint budget resolution making the budget resolution a law signed by the President, if you are opposed to biennial budgeting, if you voted against expedited rescission, this bill reinstates all of those, and is an additional reason to oppose it.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. SHADEGG), even though I claimed the time in opposition.

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding me this time so graciously, and I want to compliment him on his service as the Committee on the Budget chairman. I think he has done an exemplary job in a very, very difficult position.

I want to point out that in my tenure here in the Congress, and I am in my

ninth year, I have worked very, very hard to honor the budget and support the budget we adopt. Indeed, early in my tenure in Congress, I served on that Committee on the Budget under John Kasich, and the current chairman of the committee was on the committee at the time. We labored long and hard to produce a workable budget. But the sad truth is, and I doubt if all of our colleagues here in Congress, much less the people across America, understand that that budget, while it is always a product that entails a lot of work, is almost never honored.

In 1995 and 1996 we honored the budget that we adopted. But from 1996 to this year, we dishonor that budget. We outspend that budget year after year. And that is why I rise in strong support of the Family Budget Protection Act, because the reality is that the hard work that the gentleman from Iowa (Mr. NUSSLE) and the members of his committee put in to write a budget and to craft it and to have it work becomes meaningless, or at least near meaningless as we go through the process. Because, quite frankly, it is not law. It is only the resolution, hopefully, of the two bodies. And so its goes out the door.

That is why my colleague, the gentleman from Texas (Mr. HENSARLING), is proposing that we make the budget resolution not a resolution but a law, so that all the work that Chairman NUSSLE and members of his committee put in works, and so that we can tell the American people that we are going to live within a budget.

But how do we break that budget? We break that budget year after year after year after year by trick and game. One of those has been talked about here tonight, and that is emergency spending. We called the census, which is commanded by the U.S. Constitution, the decennial census; we called that emergency spending and we spent outside the budget.

The American people, I think, get it. They think we should have a budget that we live within, a budget that we honor and that we should not spend at two or three times the rate of growth of the family budget. So I rise in strong support of the Family Budget Protection Act.

Mr. HENSARLING. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, if people will read this legislation, this puts a cap on the growth of the government. Every single government program will grow under this legislation.

After 6 hours of debate, we have heard much angst, anxiety, and grave concern over the deficit, over explosive spending, over a broken budget process. But, unfortunately, we have also heard that we just cannot do anything about it; there are committee jurisdiction issues, there are complexity issues, there are balance of power issues. When do we address family budget issues?

This debate before the House boils down to two simple questions. Number one, does this body believe once a budget is passed it should be enforced? Yes or no. Number two, does this body believe that the Federal budget should not be allowed to grow faster than the family budget? In other words, should there be any limit whatsoever placed on the government?

For the sake of the family budget, for the sake of personal freedom, for the sake of America's future, I hope the answer is yes and people support the Family Budget Protection amendment.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume to close, and I first want to commend the gentleman from Texas for his work, and all of the Members who have helped him and labored through so many of these provisions. They have done a good job. They have done an excellent job.

I heard someone refer to it as the gold standard of budget process reform. It may very well be. It is not perfect, there is no question. There is no such thing as perfect. My job tonight is to defend the committee product, which is the underlying bill; so I gently oppose the gentleman's amendment because so many of these things look very familiar to me. I voted for a few of them earlier tonight. And I think a couple of them I might even have had an opportunity to write at an earlier time. But I gently oppose them.

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

The CHAIRMAN pro tempore (Mr. WALDEN of Oregon).

The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. HENSARLING).

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

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. HENSARLING) will be postponed.

It is now in order to consider amendment No. 17 printed in House Report 108–566.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 17 OFFERED BY MR. KIRK

Mr. KIRK. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 17 offered by Mr. KIRK:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Deficit Control Act of 2004''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Effective date.
Sec. 3. Protection of social security and medicare benefits.

TITLE I—A SIMPLIFIED BUDGET

Subtitle A—Rainy Day Fund for Emergencies

Sec. 101. Purpose.
Sec. 102. Repeal of adjustments for emergencies.
Sec. 103. OMB emergency criteria.
Sec. 104. Development of guidelines for application of emergency definition.
Sec. 105. Reserve fund for emergencies in President's budget.
Sec. 106. Adjustments and reserve fund for emergencies in concurrent budget resolutions.
Sec. 107. Up-to-date tabulations.
Sec. 108. Prohibition on amendments to emergency reserve fund.
Sec. 109. Content of budget resolutions.

Subtitle B—The Baseline

Sec. 111. Elimination of inflation adjustment.
Sec. 112. The President's budget.
Sec. 113. The congressional budget.
Sec. 114. Congressional budget office reports to committees.
Sec. 115. Treatment of emergencies.

TITLE II—IMPLEMENTING FEDERAL SPENDING DISCIPLINE

Subtitle A—Spending Safeguards on the Growth of Entitlements and Mandatories

Sec. 201. Spending caps on growth of entitlements and mandatories.
Sec. 202. Exempt programs and activities.
Sec. 203. Exceptions, limitations, and special rules.
Sec. 204. Point of order.
Sec. 205. Technical and conforming amendments.

Subtitle B—Discretionary Spending Limits

Sec. 211. Enforcing discretionary spending limits.
Sec. 212. Annual joint resolution establishing discretionary spending limits.

TITLE III—COMBATING WASTE, FRAUD, AND ABUSE.

Subtitle A—Enhanced Rescissions of Budget Authority Identified by the President as Wasteful Spending

Sec. 301. Enhanced consideration of certain proposed rescissions.

Subtitle B—Commission to Eliminate Waste, Fraud, and Abuse

Sec. 311. Establishment of Commission.
Sec. 312. Duties of the Commission.
Sec. 313. Powers of the Commission.
Sec. 314. Commission personnel matters.
Sec. 315. Termination of the Commission.
Sec. 316. Authorization of appropriations.

TITLE IV—TRUTH IN ACCOUNTING

Subtitle A—Accrual Funding of Pensions and Retirement Pay for Federal Employees and Uniformed Services Personnel

Sec. 401. Civil Service Retirement System.
Sec. 402. Central Intelligence Agency Retirement and Disability System.
Sec. 403. Foreign Service Retirement and Disability System.
Sec. 404. Public Health Service Commissioned Corps Retirement System.
Sec. 405. National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement System.
Sec. 406. Coast Guard Military Retirement System.

Subtitle B—Accrual Funding of Post-Retirement Health Benefits Costs for Federal Employees

Sec. 411. Federal employees health benefits fund.

Sec. 412. Funding uniformed services health benefits for all retirees.
Sec. 413. Effective date.
Subtitle C—Limit on the Public Debt
Sec. 421. Limit on public debt.
TITLE V—PAYGO EXTENSION
Sec. 501. PAYGO extension.

**SEC. 2. EFFECTIVE DATE.**

Except as otherwise specifically provided, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act and shall apply with respect to fiscal years beginning after September 30, 2005.

**SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE BENEFITS.**

Notwithstanding any other provision in law, nothing in titles I through V shall be construed to reduce benefits entitled to Americans through social security and medicare.

## TITLE I—A SIMPLIFIED BUDGET

### Subtitle A—Rainy Day Fund for Emergencies

**SEC. 101. PURPOSE.**

The purposes of this subtitle are to—

(1) develop budgetary and fiscal procedures for emergencies;

(2) subject spending for emergencies to budgetary procedures and controls; and

(3) establish criteria for determining compliance with emergency requirements.

**SEC. 102. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.**

(a) ELIMINATION OF EMERGENCY DESIGNATION.—Sections 252(e) and 252(d)(4)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 are repealed.

(b) ELIMINATION OF ADJUSTMENTS.—Section 314 of the Congressional Budget Act of 1974 is repealed.

(c) CONFORMING AMENDMENT.—Clause 2 of rule XXI of the Rules of the House of Representatives is amended by repealing paragraph (e) and by redesignating paragraph (f) as paragraph (e).

**SEC. 103. OMB EMERGENCY CRITERIA.**

(a) DEFINITION OF EMERGENCY.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11)(A) The term 'emergency' means a situation that—

''(i) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

''(ii) is unanticipated.

''(B) As used in subparagraph (A), the term 'unanticipated' means that the situation is—

''(i) sudden, which means quickly coming into being or not building up over time;

''(ii) urgent, which means a pressing and compelling need requiring immediate action;

''(iii) unforeseen, which means not predicted or anticipated as an emerging need; and

''(iv) temporary, which means not of a permanent duration.''.

(b) CONFORMING AMENDMENT.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

''(20) The term 'emergency' has the meaning given to such term in section 3 of the Congressional Budget and Impoundment Control Act of 1974.''.

**SEC. 104. DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.**

Not later than 5 months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974.

**SEC. 105. RESERVE FUND FOR EMERGENCIES IN PRESIDENT'S BUDGET.**

Section 1105(f) of title 31, United States Code is amended by adding at the end the following new sentences: ''Such budget submission shall also comply with the requirements of section 316(b) of the Congressional Budget Act of 1974 and, in the case of any budget authority requested for an emergency, such submission shall include a detailed justification of why such emergency is an emergency within the meaning of section 3(11) of the Congressional Budget Act of 1974.''.

**SEC. 106. ADJUSTMENTS AND RESERVE FUND FOR EMERGENCIES IN CONCURRENT BUDGET RESOLUTIONS.**

(a) EMERGENCIES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''EMERGENCIES

''SEC. 316. (a) ADJUSTMENTS.—

''(1) IN GENERAL.—After the reporting of a bill or joint resolution or the submission of a conference report thereon that provides budget authority for any emergency as identified pursuant to subsection (d) that is not covered by subsection (c)—

''(A) the chairman of the Committee on the Budget of the House of Representatives or the Senate shall determine and certify, pursuant to the guidelines referred to in section 104 of the Deficit Control Act of 2004, the portion (if any) of the amount so specified that is for an emergency within the meaning of section 3(11); and

''(B) such chairman shall make the adjustment set forth in paragraph (2) for the amount of new budget authority (or outlays) in that measure and the outlays flowing from that budget authority.

''(2) MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) and shall be in an amount not to exceed the amount reserved for emergencies pursuant to the requirements of subsection (b).

''(b) RESERVE FUND FOR EMERGENCIES.—

''(1) AMOUNTS.—The amount set forth in the reserve fund for emergencies (other than those covered by subsection (c)) for budget authority and outlays for a fiscal year pursuant to section 301(a)(4) shall equal—

''(A) the average of the enacted levels of budget authority for emergencies (other than those covered by subsection (c)) in the 5 fiscal years preceding the current year; and

''(B) the average of the levels of outlays for emergencies in the 5 fiscal years preceding the current year flowing from the budget authority referred to in subparagraph (A), but only in the fiscal year for which such budget authority first becomes available for obligation.

''(2) AVERAGE LEVELS.—For purposes of paragraph (1), the amount used for a fiscal year to calculate the average of the enacted levels when one or more of such 5 preceding fiscal years is any of fiscal years 2000 through 2004 is as follows: the amount of enacted levels of budget authority and the amount of new outlays flowing therefrom for emergencies, but only in the fiscal year for which such budget authority first becomes available for obligation for each of such 5 fiscal years, which shall be determined by the Committees on the Budget of the House of Representatives and the Senate after receipt of a report on such matter transmitted to such committees by the Director of the Congressional Budget Office 6 months after the date of enactment of this section and thereafter in February of each calendar year.

''(c) TREATMENT OF EMERGENCIES TO FUND CERTAIN MILITARY OPERATIONS AND OTHER EXTRAORDINARY AND CRITICAL NEEDS.—Whenever the Committee on Appropriations reports any bill or joint resolution that provides budget authority for any emergency that is a threat to national security and the funding of which carries out a military operation authorized by a declaration of war or a joint resolution authorizing the use of military force, or for any other emergency designated by the President and the Congress as relating to extraordinary and critical needs, and the report accompanying that bill or joint resolution, pursuant to subsection (d), identifies any provision that increases outlays or provides budget authority (and the outlays flowing therefrom) for such emergency, the enactment of which would cause the total amount of budget authority or outlays provided for emergencies for the budget year in the concurrent resolution on the budget (pursuant to section 301(a)(4)) to be exceeded, such bill or joint resolution may be considered in the House or the Senate, as the case may be.

''(d) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines referred to in section 104 of the Deficit Control Act of 2004.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

''Sec. 316. Emergencies.''.

**SEC. 107. UP-TO-DATE TABULATIONS.**

Section 308(b)(2) of the Congressional Budget Act of 1974 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(D) shall include an up-to-date tabulation of amounts remaining in the reserve fund for emergencies.''.

**SEC. 108. PROHIBITION ON AMENDMENTS TO EMERGENCY RESERVE FUND.**

(a) POINT OF ORDER.—Section 305 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(e) POINT OF ORDER REGARDING EMERGENCY RESERVE FUND.—It shall not be in order in the House of Representatives or in the Senate to consider an amendment to a concurrent resolution on the budget which changes the amount of budget authority and outlays set forth in section 301(a)(4) for emergency reserve fund.''.

(b) TECHNICAL AMENDMENT.—(1) Section 904(c)(1) of the Congressional Budget Act of

1974 is amended by inserting ''305(e),'' after ''305(c)(4),''.

(2) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''305(e),'' after ''305(c)(4),''.

**SEC. 109. CONTENT OF BUDGET RESOLUTIONS.**

Section 301(a)(4) of the Congressional Budget Act of 1974 is amended by inserting before the semicolon at the end the following: '', and for emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c))''.

**Subtitle B—The Baseline**

**SEC. 111. ELIMINATION OF INFLATION ADJUSTMENT.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (1) by striking ''for inflation as specified in paragraph (5),''; and

(2) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5).

**SEC. 112. THE PRESIDENT'S BUDGET.**

(a) Paragraph (5) of section 1105(a) of title 31, United States Code, is amended to read as follows:

''(5) except as provided in subsection (b) of this section, estimated expenditures and appropriations for the current year and estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years following that year, and, except for detailed budget estimates, the percentage change from the current year to the fiscal year for which the budget is submitted for estimated expenditures and for appropriations.''.

(b) Section 1105(a)(6) of title 31, United States Code, is amended to read as follows:

''(6) estimated receipts of the Government in the current year and the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—

''(A) laws in effect when the budget is submitted; and

''(B) proposals in the budget to increase revenues,

and the percentage change (in the case of each category referred to in subparagraphs (A) and (B)) between the current year and the fiscal year for which the budget is submitted and between the current year and each of the 9 fiscal years after the fiscal year for which the budget is submitted.''.

(c) Section 1105(a)(12) of title 31, United States Code, is amended to read as follows:

''(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

''(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted;

''(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect; and

''(C) the estimated amount for the same activity or function, if any, in the current fiscal year,

and, except for detailed budget estimates, the percentage change (in the case of each category referred to in subparagraphs (A), (B), and (C)) between the current year and the fiscal year for which the budget is submitted.''.

(d) Section 1105(a)(18) of title 31, United States Code, is amended by inserting ''new budget authority and'' before ''budget outlays''.

(e) Section 1105(a) of title 31, United States Code, is amended by adding at the end the following new paragraphs:

''(35) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.

''(36) a table on sources of growth in total direct spending under current law and as proposed in this budget submission for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.''.

(f) Section 1109(a) of title 31, United States Code, is amended by inserting after the first sentence the following new sentence: ''For discretionary spending, these estimates shall assume the levels set forth in the discretionary spending limits under section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted, for the appropriate fiscal years (and if no such limits are in effect, these estimates shall assume the adjusted levels for the most recent fiscal year for which such levels were in effect).''.

**SEC. 113. THE CONGRESSIONAL BUDGET.**

Section 301(e) of the Congressional Budget Act of 1974 (as amended by section 103) is further amended—

(1) in paragraph (1), by inserting at the end the following: ''The basis of deliberations in developing such concurrent resolution shall be the estimated budgetary levels for the preceding fiscal year. Any budgetary levels pending before the committee and the text of the concurrent resolution shall be accompanied by a document comparing such levels or such text to the estimated levels of the prior fiscal year. Any amendment offered in the committee that changes a budgetary level and is based upon a specific policy assumption for a program, project, or activity shall be accompanied by a document indicating the estimated amount for such program, project, or activity in the current year.''; and

(2) in paragraph (2), by striking ''and'' at the end of subparagraph (H) (as redesignated), by striking the period and inserting ''; and'' at the end of subparagraph (I) (as redesignated), and by adding at the end the following new subparagraph:

''(J) a comparison of levels for the current fiscal year with proposed spending and revenue levels for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function.''.

**SEC. 114. CONGRESSIONAL BUDGET OFFICE REPORTS TO COMMITTEES.**

(a) The first sentence of section 202(e)(1) of the Congressional Budget Act of 1974 is amended by inserting ''compared to comparable levels for the current year'' before the comma at the end of subparagraph (A) and before the comma at the end of subparagraph (B).

(b) Section 202(e)(1) of the Congressional Budget Act of 1974 is amended by inserting after the first sentence the following new sentence: ''Such report shall also include a table on sources of spending growth in total direct spending for the budget year and the ensuing 4 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.''.

(c) Section 308(a)(1)(B) of the Congressional Budget Act of 1974 is amended by inserting ''and shall include a comparison of those levels to comparable levels for the current fiscal year'' before ''if timely submitted''.

(d) Section 202(e) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

''(4) On or before February 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate, a report for the fiscal year ending on September 30 of the preceding year, with respect to entitlement spending, including (A) a comparison of actual spending for entitlements, on an account by account basis, with projected spending for such entitlements assumed in the concurrent resolution of the budget for that fiscal year and (B) an identification of those entitlements for which the actual spending exceeded the projected spending.''.

**SEC. 115. TREATMENT OF EMERGENCIES.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by section 111) is further amended by adding at the end the following new paragraph:

''(6) EMERGENCIES.—Budgetary resources for emergencies shall be at the level provided in the reserve fund for emergencies for that fiscal year pursuant to section 301(a)(4) of the Congressional Budget Act of 1974.''.

**TITLE II—IMPLEMENTING FEDERAL SPENDING DISCIPLINE**

**Subtitle A—Spending Safeguards on the Growth of Entitlements and Mandatories**

**SEC. 201. SPENDING CAPS ON GROWTH OF ENTITLEMENTS AND MANDATORIES.**

(a) CONTROL OF ENTITLEMENTS AND MANDATORIES.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

**''SEC. 252A. ENFORCING CONTROLS ON DIRECT SPENDING.**

''(a) CAP ON GROWTH OF ENTITLEMENTS.—Effective for fiscal year 2006 and for each ensuing fiscal year, the total level of direct spending for all direct spending programs, projects, and activities (excluding social security, medicare, and net interest spending) for any such fiscal year shall not exceed the total level of spending for all such programs, projects, and activities for the previous fiscal year after the direct spending for each such program, project, or activity is increased by—

''(1) the higher of the change in the Consumer Price Index for All Urban Consumers or the inflator (if any) applicable to that program, project, or activity; and

''(2) the growth in eligible population for such program, project, or activity.

''(b) SEQUESTRATION.—Within 15 days after Congress adjourns to end a session (other than of the second session of the One Hundred Eighth Congress), and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to reduce the amount of direct spending for the fiscal year beginning in the year the Congress adjourns by any amount necessary to reduce such spending to the level set forth in subsection (a) unless that amount is less than $250,000,000.

''(c) UNIFORM REDUCTIONS; LIMITATIONS.—The amount required to be sequestered for the fiscal year under subsection (a) shall be obtained from nonexempt direct spending accounts by actions taken in the following order:

''(1) FIRST.—The reductions in the programs specified in section 256(a) (National Wool Act and special milk), section 256(b) (guaranteed student loans), and section 256(c) (foster care and adoption assistance) shall be made.

''(2) SECOND.—Any additional reductions that may be required shall be achieved by reducing each remaining nonexempt direct spending account by the uniform percentage necessary to achieve those additional reductions, except that—

''(A) the low-income programs specified in section 256(d) shall not be reduced by more than 2 percent; and

''(B) the retirement and veterans benefits specified in sections 256(f), (g), and (h) shall not be reduced by more than 2 percent in the manner specified in that section.

The limitations set forth in subparagraphs (A) and (B) shall be applied iteratively, and after each iteration the uniform percentage applicable to all other programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the reductions required by this paragraph.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents set forth in 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after the item relating to section 252 the following new item:

''Sec. 252A. Enforcing controls on direct spending.''.

**SEC. 202. EXEMPT PROGRAMS AND ACTIVITIES.**

Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**''SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.**

''(a) SOCIAL SECURITY BENEFITS; TIER I RAILROAD RETIREMENT BENEFITS; AND MEDICARE BENEFITS.—(1) Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, and benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall be exempt from reduction under any order issued under this part.

''(2) Payments made under title XVIII (relating to medicare of the Social Security Act shall be exempt from reduction under any order issued under this part.

''(b) DESCRIPTIONS AND LISTS.—The following budget accounts or activities shall be exempt from sequestration:

''(1) net interest;

''(2) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(3) all payments from one Federal direct spending budget account to another Federal budget account; and all intragovernmental funds including those from which funding is derived primarily from other Government accounts, except to the extent that such funds are augmented by direct appropriations for the fiscal year for which the order is in effect;

''(4) activities resulting from private donations, bequests, or voluntary contributions to the Government;

''(5) payments from any revolving fund or trust-revolving fund (or similar activity) that provides deposit insurance or other Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(6) credit liquidating and financing accounts;

''(7) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed:

''Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

''Armed Forces Retirement Home Trust Fund, payment of claims (84–8930–0–7–705);

''Bureau of Indian Affairs, miscellaneous payments to Indians (14–2303–0–1–452);

''Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

''Claims, defense;

''Claims, judgments, and relief act (20–1895–0–1–806);

''Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);

''Compensation of the President (11–0001–0–1–802);

''Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

''Eastern Indian land claims settlement fund (14–2202–0–1–806);

''Farm Credit Administration, Limitation on Administration Expenses (78–4131–0–3–351);

''Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

''Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

''Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

''Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

''Payments to copyright owners (03–5175–0–2–376);

''Payments to health care trust funds (75–0580–0–1–571);

''Payments to social security trust funds (75–0404–0–1–651);

''Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

''Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801);

''Pension Benefit Guaranty Corporation Fund (16–4204–0–3–601);

''Salaries of Article III judges;

''Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401);

''(8) the following noncredit special, revolving, or trust-revolving funds:

''Coinage profit fund (20–5811–0–2–803);

''Comptroller of the Currency;

''Director of the Office of Thrift Supervision;

''Exchange Stabilization Fund (20–4444–0–3–155);

''Federal Housing Finance Board;

''Foreign Military Sales trust fund (11–82232–0–7–155);

''National Credit Union Administration, central liquidating facility (25–4470–0–3–373);

''National Credit Union Administration, credit union insurance fund (25–4468–0–3–373);

''National Credit Union Administration operating fund (25–4056–0–3–373); and

''Resolution Trust Corporation Revolving Fund (22–4055–0–3–373);

''(9) Thrift Savings Fund;

''(10) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(11)(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act; and

''(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account;

''(12)(A) FDIC, Bank Insurance Fund (51–4064–0–3–373);

''(B) FDIC, FSLIC Resolution Fund (51–4065–0–3–373); and

''(C) FDIC, Savings Association Insurance Fund (51–4066–0–3–373); and

''(13) Food Stamp Programs (12–3505–0–1–605).

''(c) FEDERAL RETIREMENT AND DISABILITY ACCOUNTS.—The following Federal retirement and disability accounts shall be exempt from reduction under any order issued under this part:

''Civil service retirement and disability fund (24–8135–0–7–602).

''Black Lung Disability Trust Fund (20–8144–0–7–601).

''Foreign Service Retirement and Disability Fund (19–8186–0–7–602).

''District of Columbia Judicial Retirement and Survivors Annuity Fund (20–8212–0–7–602).

''Judicial Survivors' Annuities Fund (10–8110–0–7–602).

''Payments to the Railroad Retirement Accounts (60–0113–0–1–601).

''Tax Court Judges Survivors Annuity Fund (23–8115–0–7–602).

''Employees Life Insurance Fund (24–8424–0–8–602).

''(d) FEDERAL ADMINISTRATIVE EXPENSES.—

''(1) Notwithstanding any provision of law other than paragraph (3), administrative expenses incurred by the departments and agencies, including independent agencies, of the Government in connection with any program, project, activity, or account shall be subject to reduction pursuant to any sequestration order, without regard to any exemption, exception, limitation, or special rule otherwise applicable with respect to such program, project, activity, or account, and regardless of whether the program, project, activity, or account is self-supporting and does not receive appropriations.

''(2) Payments made by the Government to reimburse or match administrative costs incurred by a State or political subdivision under or in connection with any program, project, activity, or account shall not be considered administrative expenses of the Government for purposes of this section, and shall be subject to sequestration to the extent (and only to the extent) that other payments made by the Government under or in connection with that program, project, activity, or account are subject to that reduction or sequestration; except that Federal payments made to a State as reimbursement of administrative costs incurred by that State under or in connection with the unemployment compensation programs specified in subsection (a)(11) shall be subject to reduction or sequestration under this part notwithstanding the exemption otherwise granted to such programs under that subsection.

''(3) Notwithstanding any other provision of law, the administrative expenses of the following programs shall be exempt from sequestration:

''(A) Comptroller of the Currency.

''(B) Federal Deposit Insurance Corporation.

''(C) Office of Thrift Supervision.

''(D) National Credit Union Administration.

''(E) National Credit Union Administration, central liquidity facility.

''(F) Federal Retirement Thrift Investment Board.

''(G) Resolution Funding Corporation.

''(H) Resolution Trust Corporation.

''(I) Board of Governors of the Federal Reserve System.

''(e) VETERANS' PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

''General Post Funds (36–8180–0–7–705).

''Veterans Insurance and Indemnities (36–0120–0–1–701).

''Service-Disabled Veterans Insurance Funds (36–4012–0–701).

''Veterans Reopened Insurance Fund (36–4010–0–3–701).

''Servicemembers' Group Life Insurance Fund (36–4009–0–3–701).

''Post-Vietnam Era Veterans Education Account (36–8133–0–7–702).

''National Service Life Insurance Fund (36–8132–0–7–701).

''United States Government Life Insurance Fund (36–8150–0–7–701).

''Veterans Special Life Insurance Fund (36–8455–0–8–701).

''(f) OPTIONAL EXEMPTION OF DEFENSE AND HOMELAND SECURITY ACCOUNTS.—

''(1) IN GENERAL.—The President may, with respect to any defense or homeland security account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

''(2) LIMITATION.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.''.

**SEC. 203. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

(a) IN GENERAL.—Section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**''SEC. 256. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

''(a) NATIONAL WOOL ACT AND THE SPECIAL MILK PROGRAM.—Automatic spending increases are increases in outlays due to changes in indexes in the following programs:

''(1) National Wool Act; and

''(2) Special milk program.

In those programs all amounts other than the automatic spending increases shall be exempt from reduction under any sequestration order.

''(b) THE GUARANTEED STUDENT LOAN PROGRAM.—(1) Any reductions which are required to be achieved from the student loan programs operated pursuant to part B of title IV of the Higher Education Act of 1965 under any sequestration order shall be achieved only from loans described in paragraphs (2) and (3) by the application of the measures described in such paragraphs.

''(2) For any loan made during the period beginning on the date that a sequestration order takes effect with respect to a fiscal year, the rate used in computing the special allowance payment pursuant to section 438(b)(2)(A)(iii) of such Act for each of the first four special allowance payments for such loan shall be adjusted by reducing such rate by the lesser of—

''(A) 0.40 percent, or

''(B) the percentage by which the rate specified in such section exceeds 3 percent.

''(3) For any loan made during the period beginning on the date that a sequestration order takes effect with respect to a fiscal year, the origination fee which is authorized to be collected pursuant to section 438(c)(2) of such Act shall be increased by 0.50 percent.

''(c) FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS.—Any sequestration order shall make the reduction otherwise required under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance payment rates or adoption assistance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction to the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments attributable to the increases taking effect during that year. No State's matching payments from the Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage. No State may, after the date of the enactment of this Act, make any change in the timetable for making payments under a State plan approved under part E of title IV of the Social Security Act which has the effect of changing the fiscal year in which expenditures under such part are made.

''(d) LOW-INCOME PROGRAMS.—(1) Benefit payments or payments to States or other entities for the programs listed in paragraph (2) shall not be reduced by more than 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs referred to in paragraph (1) are the following:

''Child Nutrition (12–3539–0–1–605).

''Grants to States for Medicaid (75–0512–0–1–551).

''State Children's Health Insurance Fund (75–0515–0–1–551).

''Supplemental Security Income Program (75–0406–0–1–609).

''Temporary Assistance for Needy Families (75–1552–0–1–609).

''Special supplemental nutrition program for women, infants, and children (WIC) (12–3510–0–1–605).

''(e) VETERANS' MEDICAL CARE.—The maximum permissible reduction in budget authority for Veterans' medical care (36–0160–0–1–703) for any fiscal year, pursuant to an order issued under section 254, shall be 2 percent.

''(f) FEDERAL RETIREMENT PROGRAMS.—

''(1) For each of the programs listed in paragraph (2) and except as provided in paragraph (3), monthly (or other periodic) benefit payments shall be reduced by the uniform percentage applicable to direct spending sequestrations for such programs, which shall in no case exceed 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January or 7 weeks after the order is issued, whichever is later. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs subject to paragraph (1) are:

''Central Intelligence Agency Retirement and Disability Fund (56–3400–0–1–054).

''Comptrollers General Retirement System (05–0107–0–1–801)

''Judicial Officers' Retirement Fund (10–8122–0–7–602).

''Claims Judges' Retirement Fund (10–8124–0–7–602).

''Pensions for former Presidents (47–0105–0–1–802).

''National Oceanic and Atmospheric Administration Retirement (13–1450–0–1–306).

''Railroad Industry Pension Fund (60–8011–0–7–601).

''Retired pay, Coast Guard (70–0602–0–1–403).

''Retirement pay and medical benefits for commissioned officers, Public Health Service (75–0379–0–1–551).

''Payments to Civil Service Retirement and Disability Fund (24–0200–0–1–805).

''Payments to the Foreign Service Retirement and Disability Fund (72–1036–0–1–153)

''Payments to Judiciary Trust Funds (10–0941–0–1–752).

''(g) VETERANS PROGRAMS.—To achieve the total percentage reduction required by any order issued under this part, the percentage reduction that shall apply to payments under the following programs shall in no event exceed 2 percent:

''Canteen Service Revolving Fund (36–4014–0–3–705).

''Medical Center Research Organizations (36–4026–0–3–703).

''Disability Compensation Benefits (36–0102–0–1–701).

''Education Benefits (36–0137–0–1–702).

''Vocational Rehabilitation and Employment Benefits (36–0135–0–1–702).

''Pensions Benefits (36–0154–0–1–701).

''Burial Benefits (36–0139–0–1–701).

''Guaranteed Transitional Housing Loans For Homeless Veterans Program Account (36–1119–0–1–704).

''Housing Direct Loan Financing Account (36–4127–0–1–704).

''Housing Guaranteed Loan Financing Account (36–4129–0–3–704).

''Vocational Rehabilitation and Education Direct Loan Financing Account (36–4259–0–3–702).

''(h) MILITARY RETIREMENT.—To achieve the total percentage reduction in military retirement required by any order issued under this part, the percentage reduction that shall apply to payments under the military retirement fund (97–8097–0–7–602) and payments to the military retirement fund (97–0040–0–1–054) shall in no event exceed 2 percent.

''(i) FEDERAL PAY.—

''(1) IN GENERAL.—For purposes of any order issued under section 254, new budget authority to pay Federal personnel shall be reduced by the applicable uniform percentage, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military pay to which any individual is entitled under title 37, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'statutory pay system' shall have the meaning given that term in section 5302(1) of title 5, United States Code.

''(B) The term 'elements of military pay' means—

''(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code,

''(ii) allowances provided members of the uniformed services under sections 403a and 405 of such title, and

''(iii) cadet pay and midshipman pay under section 203(c) of such title.

''(C) The term 'uniformed services' shall have the meaning given that term in section 101(3) of title 37, United States Code.

''(j) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in expenditures under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

''(k) EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly

benefit payment made under the Federal-State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under an order issued under this title by a percentage not to exceed the percentage by which the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

''(2) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1954.

''(l) COMMODITY CREDIT CORPORATION.—

''(1) POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

''(2) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—(A) Payments and loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time any sequestration order has been issued shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after any sequestration order is issued for a fiscal year, any cash payments made by the Commodity Credit Corporation—

''(i) under the terms of any one-year contract entered into in or after such fiscal year and after the issuance of the order; and

''(ii) out of an entitlement account,

to any person (including any producer, lender, or guarantee entity) shall be subject to reduction under the order.

''(B) Each contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A) shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of any sequestration order, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for succeeding crops of the commodity, under the authority provided in paragraph (3).

''(3) DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—Notwithstanding any other provision of this title, if any sequestration order is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (2) may provide for reductions in outlays for the account involved to occur in the fiscal years following the fiscal year to which the order applies.

''(4) UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.—All reductions described in paragraph (2) that are required to be made in connection with any sequestration order with respect to a fiscal year—

''(A) shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order; and

''(B) with respect to commodity price support and income protection programs, shall be made in such manner and under such procedures as will attempt to ensure that—

''(i) uncertainty as to the scope of benefits under any such program is minimized;

''(ii) any instability in market prices for agricultural commodities resulting from the reduction is minimized; and

''(iii) normal production and marketing relationships among agricultural commodities (including both contract and non-contract commodities) are not distorted.

In meeting the criterion set out in clause (iii) of subparagraph (B) of the preceding sentence, the President shall take into consideration that reductions under an order may apply to programs for two or more agricultural commodities that use the same type of production or marketing resources or that are alternative commodities among which a producer could choose in making annual production decisions.

''(5) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this title shall limit or reduce in any way any appropriation that provides the Commodity Credit Corporation with funds to cover the Corporation's net realized losses.

''(m) POSTAL SERVICE FUND.—Notwithstanding any other provision of law, any sequestration of the Postal Service Fund shall be accomplished by a payment from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall make the full amount of that payment during the fiscal year to which the presidential sequestration order applies.

''(n) EFFECTS OF SEQUESTRATION.—The effects of sequestration shall be as follows:

''(1) Budgetary resources sequestered from any account other than an entitlement trust, special, or revolving fund account shall revert to the Treasury and be permanently canceled.

''(2) Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

''(3) Administrative regulations or similar actions implementing a sequestration shall be made within 120 days of the sequestration order. To the extent that formula allocations differ at different levels of budgetary resources within an account, program, project, or activity, the sequestration shall be interpreted as producing a lower total appropriation, with that lower appropriation being obligated as though it had been the pre-sequestration appropriation and no sequestration had occurred.

''(4) Except as otherwise provided, obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years.

''(5) If an automatic spending increase is sequestered, the increase (in the applicable index) that was disregarded as a result of that sequestration shall not be taken into account in any subsequent fiscal year.

''(6) Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by amending the item relating to section 256 to read as follows:

''Sec. 256. Exceptions, limitations, and special rules.''.

**SEC. 204. POINT OF ORDER.**

(a) ENTITLEMENT POINT OF ORDER.—Section 312 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(g) ENTITLEMENT POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that—

''(1) increases aggregate level of direct spending for any ensuing fiscal year or

''(2) includes any provision that has the effect of modifying the application of section 252A of the Balanced Budget and Emergency Deficit Control Act of 1985 to any entitlement program subject to sequestration or exempt from sequestration under such Act.''.

**SEC. 205. TECHNICAL AND CONFORMING AMENDMENTS.**

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 251(a)(1) is amended by inserting '', section 252A,'' after ''section 252''.

(2) Section 254(c)(4)(B) is amended by inserting ''or section 252A'' after ''section 252''.

(3) Section 254(c) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

''(A) The total level of direct spending for all programs, projects, and activities (excluding social security).

''(B) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to comply with section 252A.''.

(4) Section 254(f) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

''(4) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the direct spending control sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequesterable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each outyear for direct spending programs.''.

(5) Section 258C(a)(1) is amended by inserting '', 252A,'' after ''section 252''.

**Subtitle B—Discretionary Spending Limits**

**SEC. 211. ENFORCING DISCRETIONARY SPENDING LIMITS.**

(a) DISCRETIONARY SPENDING LIMITS.—Sections 251(b) and (c) of the Balanced Budget and Emergency Deficit Control of Act of 1985 are amended to read as follows:

''(b) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term 'discretionary spending limit' means with respect to fiscal year 2005: $818,736,000,000 in new budget authority and $901,816,000,000 in outlays.''.

(b) DISCRETIONARY SPENDING LIMIT POINT OF ORDER.—Section 312 of the Congressional Budget Act of 1974 (as amended by section 204(a)) is further amended by adding at the end the following new subsection:

''(h) DISCRETIONARY SPENDING LIMIT POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that—

''(1) increases the discretionary spending limits for any ensuing fiscal year after the budget year; or

''(2) would cause the discretionary spending limits for the budget year to be breached.''.

**SEC. 212. ANNUAL JOINT RESOLUTION ESTABLISHING DISCRETIONARY SPENDING LIMITS.**

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''ANNUAL JOINT RESOLUTION ESTABLISHING DISCRETIONARY SPENDING LIMITS

''SEC. 317. (a) INTRODUCTION.—Before the close of the second legislative day of the House of Representatives after the date of House passage of a concurrent resolution on the budget, the chairman of the Committee on the Budget of the House shall introduce a joint resolution that amends section 251(b) of the Balanced Budget and Emergency Deficit Control of Act of 1985 to establish a discretionary spending limit for the fiscal year of the concurrent resolution.

''(b) EXPEDITED CONSIDERATION.—For purposes of the consideration of a joint resolution introduced pursuant to subsection (a), the provisions of subsections (c) and (d) of section 1013 (other than subsection (c)(1)(A)) shall be applied by substituting 'joint resolution' and 'Committee on the Budget' for 'bill' and 'Committee on Appropriations', respectively.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 316 the following new item:

''Sec. 317. Annual joint resolution establishing discretionary spending limits.''.

**TITLE III—COMBATING WASTE, FRAUD, AND ABUSE.**

**Subtitle A—Enhanced Rescissions of Budget Authority Identified by the President as Wasteful Spending**

**SEC. 301. ENHANCED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS.**

(a) IN GENERAL.—Part B of title X of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 681 et seq.) is amended by redesignating sections 1013 through 1017 as sections 1014 through 1018, respectively, and by inserting after section 1012 the following new section:

''ENHANCED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS

''SEC. 1013. (a) PROPOSED RESCISSION OF BUDGET AUTHORITY IDENTIFIED AS WASTEFUL SPENDING.—The President may propose, at the time and in the manner provided in subsection (b), the rescission of any budget authority provided in an appropriation Act that he identifies as wasteful spending. If the President proposes a rescission of budget authority, he may also propose to reduce the appropriate discretionary spending limits for new budget authority and outlays flowing therefrom set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount that does not exceed the amount of the proposed rescission. Funds made available for obligation under this procedure may not be proposed for rescission again under this section.

''(b) TRANSMITTAL OF SPECIAL MESSAGE.—

''(1) The President may transmit to Congress a special message proposing to rescind amounts of budget authority and include with that special message a draft bill that, if enacted, would only rescind that budget authority unless the President also proposes a reduction in the appropriate discretionary spending limits set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985. That bill shall clearly identify the amount of budget authority that is proposed to be rescinded for each program, project, or activity to which that budget authority relates.

''(2) In the case of an appropriation Act that includes accounts within the jurisdiction of more than one subcommittee of the Committee on Appropriations, the President in proposing to rescind budget authority under this section shall send a separate special message and accompanying draft bill for accounts within the jurisdiction of each subcommittee.

''(3) Each special message shall specify, with respect to the budget authority proposed to be rescinded, the following:

''(A) The amount of budget authority which he proposes to be rescinded.

''(B) Any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved.

''(C) The reasons why the budget authority should be rescinded, including why he considers it to be wasteful spending.

''(D) To the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed rescission.

''(E) All facts, circumstances, and considerations relating to or bearing upon the proposed rescission and the decision to effect the proposed rescission, and to the maximum extent practicable, the estimated effect of the proposed rescission upon the objects, purposes, and programs for which the budget authority is provided.

''(F) A reduction in the appropriate discretionary spending limits set forth in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, if proposed by the President.

''(c) PROCEDURES FOR EXPEDITED CONSIDERATION.—

''(1)(A) Before the close of the second legislative day of the House of Representatives after the date of receipt of a special message transmitted to Congress under subsection (b), the majority leader or minority leader of the House of Representatives shall introduce (by request) the draft bill accompanying that special message. If the bill is not introduced as provided in the preceding sentence, then, on the third legislative day of the House of Representatives after the date of receipt of that special message, any Member of that House may introduce the bill.

''(B) The bill shall be referred to the Committee on Appropriations. The bill shall be reported not later than the seventh legislative day of that House after the date of receipt of that special message. If that committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

''(C) A vote on final passage of the bill shall be taken in the House of Representatives on or before the close of the 10th legislative day of that House after the date of the introduction of the bill in that House. If the bill is passed, the Clerk of the House of Representatives shall cause the bill to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the bill is passed.

''(2)(A) A motion in the House of Representatives to proceed to the consideration of a bill under this section shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

''(B) Debate in the House of Representatives on a bill under this section shall not exceed 4 hours, which shall be divided equally between those favoring and those opposing the bill. A motion to further limit debate shall not be debatable. It shall not be in order to move to recommit a bill under this section or to move to reconsider the vote by which the bill is agreed to or disagreed to.

''(C) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a bill under this section shall be decided without debate.

''(D) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a bill under this section shall be governed by the Rules of the House of Representatives. It shall not be in order in the House of Representatives to consider any rescission bill introduced pursuant to the provisions of this section under a suspension of the rules or under a special rule.

''(3) A bill transmitted to the Senate pursuant to paragraph (1)(D) shall be referred to its Committee on Appropriations. That committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of the Senate after it receives the bill. A committee failing to report the bill within such period shall be automatically discharged from consideration of the bill, and the bill shall be placed upon the appropriate calendar.

''(4)(A) A motion in the Senate to proceed to the consideration of a bill under this section shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

''(B) Debate in the Senate on a bill under this section, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (C)), shall not exceed 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

''(C) Debate in the Senate or any debatable motion or appeal in connection with a bill under this section shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control of the passage of a bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

''(D) A motion in the Senate to further limit debate on a bill under this section is not debatable. A motion to recommit a bill under this section is not in order.

''(d) AMENDMENT AND DIVISIONS PROHIBITED.—No amendment to a bill considered under this section shall be in order in either the House of Representatives or the Senate. It shall not be in order to demand a division of the question in the House of Representatives (or in a Committee of the Whole) or in the Senate. No motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House to suspend the application of this subsection by unanimous consent.

''(e) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be rescinded in a special message transmitted to Congress under subsection (b) shall be made available for obligation on the day after the date on which either House rejects the bill transmitted with that special message.

''(f) DEFINITIONS.—For purposes of this section:

''(1) The term 'appropriation Act' means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations.

''(2) The term 'legislative day' means, with respect to either House of Congress, any day of session.

''(3) The term 'rescind' means, with respect to an appropriation Act, to reduce the amount of budget authority appropriated in that Act, and reducing budget authority shall include reducing obligation limitations set forth in that Act.''.

(b) EXERCISE OF RULEMAKING POWERS.—Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—

(1) in subsection (a), by striking ''and 1017'' and inserting ''1012, and 1017''; and

(2) in subsection (d), by striking ''section 1017'' and inserting ''sections 1012 and 1017''.

(c) CONFORMING AMENDMENTS.—

(1) Section 1011 of the Congressional Budget Act of 1974 (2 U.S.C. 682(5)) is amended by repealing paragraphs (3) and (5) and by redesignating paragraph (4) as paragraph (3).

(2) Section 1014 of such Act (2 U.S.C. 685) is amended—

(A) in subsection (b)(1), by striking ''or the reservation''; and

(B) in subsection (e)(1), by striking ''or a reservation'' and by striking ''or each such reservation''.

(3) Section 1015(a) of such Act (2 U.S.C. 686) is amended by striking ''is to establish a reserve or'', by striking ''the establishment of such a reserve or'', and by striking ''reserve or'' each other place it appears.

(4) Section 1017 of such Act (2 U.S.C. 687) is amended—

(A) in subsection (a), by striking ''rescission bill introduced with respect to a special message or'';

(B) in subsection (b)(1), by striking ''rescission bill or'', by striking ''bill or'' the second place it appears, by striking ''rescission bill with respect to the same special message or'', and by striking '', and the case may be,'';

(C) in subsection (b)(2), by striking ''bill or'' each place it appears;

(D) in subsection (c), by striking ''rescission'' each place it appears and by striking ''bill or'' each place it appears;

(E) in subsection (d)(1), by striking ''rescission bill or'' and by striking '', and all amendments thereto (in the case of a rescission bill)'';

(F) in subsection (d)(2)—

(i) by striking the first sentence;

(ii) by amending the second sentence to read as follows: ''Debate on any debatable motion or appeal in connection with an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event that the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee.'';

(iii) by striking the third sentence; and

(iv) in the fourth sentence, by striking ''rescission bill or'' and by striking ''amendment, debatable motion,'' and by inserting 'debatable motion';

(G) in paragraph (d)(3), by striking the second and third sentences; and

(H) by striking paragraphs (4), (5), (6), and (7) of paragraph (d).

(d) CLERICAL AMENDMENTS.—The table of sections for subpart B of title X of the Congressional Budget and Impoundment Control Act of 1974 is amended by redesignating the item relating to sections 1014 through 1018 as items 1015 through 1019, respectively, and by inserting after the item relating to section 1012 the following new item:

''Sec. 1013. Enhanced consideration of certain proposed rescissions.''.

**Subtitle B—Commission to Eliminate Waste, Fraud, and Abuse**

**SEC. 311. ESTABLISHMENT OF COMMISSION.**

(a) ESTABLISHMENT.—There is established the Commission to Eliminate Waste, Fraud, and Abuse (hereafter in this subtitle referred to as the ''Commission'').

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall consist of 12 members, all of whom shall be appointed by the President not later than 90 days after the date of enactment of this Act.

(2) CHAIRPERSON AND VICE CHAIRPERSON.—The President shall designate a chairperson and vice chairperson from among the members of the Commission.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) MEETINGS.—

(1) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(2) SUBSEQUENT MEETINGS.—The Commission shall meet at the call of the chairperson.

(e) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

**SEC. 312. DUTIES OF THE COMMISSION.**

(a) DEFINITIONS.—In this section, the following definitions shall apply:

(1) AGENCY.—The term ''agency'' has the meaning given the term ''Executive agency'' under section 105 of title 5, United States Code.

(2) PROGRAM.—The term ''program'' means any activity or function of an agency.

(b) IN GENERAL.—The Commission shall—

(1) evaluate all agencies and programs within those agencies, using the criteria under subsection (c); and

(2) submit to Congress a plan with recommendations of the agencies and programs that should be realigned or eliminated.

(c) CRITERIA.—

(1) DUPLICATIVE.—If 2 or more agencies or programs are performing the same essential function and the function can be consolidated or streamlined into a single agency or program, the Commission shall recommend that the agency or program be realigned.

(2) WASTEFUL OR INEFFICIENT.—The Commission shall recommend the realignment or elimination of any agency or program that has wasted Federal funds by—

(A) egregious spending;

(B) mismanagement of resources and personnel; or

(C) use of such funds for personal benefit or the benefit of a special interest group.

(3) OUTDATED, IRRELEVANT, OR FAILED.—The Commission shall recommend the elimination of any agency or program that—

(A) has completed its intended purpose;

(B) has become irrelevant; or

(C) has failed to meet its objectives.

(d) SYSTEMATIC ASSESSMENT OF PROGRAMS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President shall—

(A) establish a systematic method for assessing the effectiveness and accountability of agency programs; and

(B) submit, to the Commission, assessments of not less than ½ of all programs covered under subsection (b)(1) that use the method established under subparagraph (A).

(2) METHOD OBJECTIVES.—The method established under paragraph (1) shall—

(A) recognize different types of federal programs;

(B) assess programs based primarily on the achievement of performance goals (as defined under section 1115(f)(4) of title 31, United States Code); and

(C) assess programs based in part on the adequacy of the program's performance measures, financial management, and other factors determined by the President.

(3) DEVELOPMENT.—The method established under paragraph (1) shall not be implemented until it has been reviewed and accepted by the Commission.

(4) CONSIDERATION OF ASSESSMENTS.—The Commission shall consider assessments submitted under this subsection when evaluating programs under subsection (b)(1).

(e) COMMON PERFORMANCE MEASURES.—Not later than 1 year after the date of enactment of this Act, the President shall identify common performance measures for programs covered in subsection (b)(1) that have similar functions and, to the extent feasible, provide the Commission with data on such performance measures.

(f) REPORT.—Not later than 2 years after the date of enactment of this Act, the Commission shall submit to the President and Congress a report that includes the plan described under subsection (b)(2), with supporting documentation for all recommendations.

**SEC. 313. POWERS OF THE COMMISSION.**

(a) HEARINGS.—The Commission or, at its direction, any subcommittee or member of the Commission, may, for the purpose of carrying out this subtitle—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and administer such oaths as any member of the Commission considers advisable;

(2) require, by subpoena or otherwise, the attendance and testimony of such witnesses as any member of the Commission considers advisable; and

(3) require, by subpoena or otherwise, the production of such books, records, correspondence, memoranda, papers, documents, tapes, and other evidentiary materials relating to any matter under investigation by the Commission.

(b) SUBPOENAS.—

(1) ISSUANCE.—Subpoenas issued under subsection (a) shall bear the signature of the chairperson of the Commission and shall be served by any person or class of persons designated by the chairperson for that purpose.

(2) ENFORCEMENT.—In the case of contumacy or failure to obey a subpoena issued under subsection (a), the United States district court for the judicial district in which the subpoenaed person resides, is served, or may be found, may issue an order requiring such person to appear at any designated place to testify or to produce documentary or other evidence. Any failure to obey the order of the court may be punished by the court as a contempt of that court.

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this Act. Upon request of the chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Government.

(e) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

**SEC. 314. COMMISSION PERSONNEL MATTERS.**

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL MEMBERS.—Except as provided under subsection (b), each member of the Commission who is not an officer or employee of the Government shall not be compensated.

(2) FEDERAL OFFICERS OR EMPLOYEES.—All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—Upon the approval of the chairperson, the executive director may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the maximum rate payable for a position at GS–15 of the General Schedule under section 5332 of such title.

(3) PERSONNEL AS FEDERAL EMPLOYEES.—

(A) IN GENERAL.—The executive director and any personnel of the Commission who are employees shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of that title.

(B) MEMBERS OF COMMISSION.—Subparagraph (A) shall not be construed to apply to members of the Commission.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

**SEC. 315. TERMINATION OF THE COMMISSION.**

The Commission shall terminate 90 days after the date on which the Commission submits its report.

**SEC. 316. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary for carrying out this subtitle for each of the fiscal years 2006 through 2008.

## TITLE IV—TRUTH IN ACCOUNTING

### Subtitle A—Accrual Funding of Pensions and Retirement Pay for Federal Employees and Uniformed Services Personnel

**SEC. 401. CIVIL SERVICE RETIREMENT SYSTEM.**

(a) CIVIL SERVICE RETIREMENT AND DISABILITY FUND.—Chapter 83 of title 5, United States Code, is amended—

(1) in section 8331—

(A) in paragraph (17)—

(i) by striking ''normal cost'' and inserting ''normal cost percentage''; and

(ii) by inserting ''and standards (using dynamic assumptions)'' after ''practice'';

(B) by amending paragraph (18) to read as follows:

''(18) 'Fund balance' means the current net assets of the Fund available for payment of benefits, as determined by the Office in accordance with appropriate accounting standards, but does not include any amount attributable to—

''(A) the Federal Employees' Retirement System; or

''(B) contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of any individual who became subject to the Federal Employees' Retirement System;''

(C) by amending paragraph (19) to read as follows:

''(19) 'accrued liability' means the estimated excess of the present value of all benefits payable from the Fund to employees and Members, and former employees and Members, subject to this subchapter, and their survivors, over the present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this subchapter and of future agency contributions to be made in their behalf;''

(D) in paragraph (27) by striking ''and'' at the end;

(E) in paragraph (28) by striking the period at the end and inserting a semicolon; and

(F) by adding at the end the following paragraphs:

''(29) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation; and

''(30) 'unfunded liability' means the estimated excess of—

''(A) the actuarial present value of all future benefits payable from the Fund under this subchapter based on the service of current or former employees or Members, over

''(B) the sum of—

''(i) the actuarial present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this chapter pursuant to section 8334;

''(ii) the actuarial present value of the future contributions to be made pursuant to section 8334 with respect to employees and Members currently subject to this subchapter;

''(iii) the Fund balance, as defined in paragraph (18), as of the date the unfunded liability is determined; and

''(iv) any other appropriate amount, as determined by the Office of Personnel Management in accordance with generally accepted actuarial practices and principles.'';

(2) in section 8334—

(A) in subsection (a)(1)—

(i) by striking the last two sentences;

(ii) by redesignating that subsection, as so amended, as (a)(1)(A); and

(iii) by adding at the end the following new subparagraphs:

''(B) Except as provided in subparagraph (E), each employing agency having any employees or Members subject to subparagraph (A) shall contribute from amounts available for salaries and expenses an amount equal to the sum of—

''(i) the product of—

''(I) the normal cost percentage, as determined for employees (other than employees covered by clause (ii)), multiplied by

''(II) the aggregate amount of basic pay payable by the agency, for the period involved, to employees (under subclause (I)) who are within such agency; and

''(ii) the product of—

''(I) the normal cost percentage, as determined for Members, Congressional employees, law enforcement officers, firefighters, air traffic controllers, bankruptcy judges, Court of Federal Claims judges, United States magistrates, judges of the United States Court of Appeals for the Armed Forces, members of the Capitol Police, nuclear materials couriers, and members of the Supreme Court Police, multiplied by

''(II) the aggregate amount of basic pay payable by the agency for the period involved, to employees and Members (under subclause (I)) who are within such agency.

''(C) In determining the normal cost percentage to be applied under subparagraph (B), amounts provided for under subparagraph (A) shall be taken into account.

''(D) Contributions under this paragraph shall be paid—

''(i) in the case of law enforcement officers, firefighters, air traffic controllers, bankruptcy judges, Court of Federal Claims judges, United States magistrates, judges of the United States Court of Appeals for the Armed Forces, members of the Supreme Court Police, nuclear materials couriers and other employees, from the appropriations or fund used to pay such law enforcement officers, firefighters, air traffic controllers, bankruptcy judges, Court of Federal Claims judges, United States magistrates, judges of the United States Court of Appeals for the Armed Forces, members of the Supreme Court Police, nuclear materials couriers and other employees, respectively;

''(ii) in the case of elected officials, from an appropriation or fund available for payment of other salaries of the same office or establishment; and

''(iii) in the case of employees of the legislative branch paid by the Clerk of the House of Representatives, from the contingent fund of the House.

''(E) In the case of the United States Postal Service, the Metropolitan Washington Airports Authority, and the government of the District of Columbia, an amount equal to that withheld under subparagraph (A) shall be contributed from the appropriation or fund used to pay the employee.''; and

(B) in subsection (k)—

(i) in paragraph (1)—

(I) in subparagraph (A) by striking ''the first sentence of subsection (a)(1) of this section'' and inserting ''subsection (a)(1)(A)''; and

(II) by amending subparagraph (B) to read as follows:

''(B) the amount of the contribution under subsection (a)(1)(B) shall be the amount which would have been contributed under such subsection if this subsection had not been enacted.''; and

(ii) in paragraph (2)(C)(iii) by striking ''the first sentence of subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''; and

(3) in section 8348—

(A) by repealing subsection (f);

(B) by amending subsection (g) to read as follows:

''(g)(1)(A) Not later than June 30, 2005, the Office of the Actuary shall determine the unfunded liability of the Fund, as of September 30, 2004, attributable to benefits payable under this chapter and make recommendations regarding its liquidation. After considering such recommendations, the Office shall

establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(B) The Office shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(C) The Office shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(D) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.

''(2) At the beginning of each fiscal year, beginning on October 1, 2005, the Office shall notify the Secretary of the Treasury of the amount of the first installment under the most recent amortization schedule established under paragraph (1). The Secretary shall credit that amount to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.

''(3) For the purpose of carrying out paragraph (1) with respect to any fiscal year, the Office may—

''(A) require the Board of Actuaries of the Civil Service Retirement System to make actuarial determinations and valuations, make recommendations, and maintain records in accordance with section 8347(f); and

''(B) use the latest actuarial determinations and valuations made by such Board of Actuaries.'';

(C) in subsections (h), (i), and (m) by striking ''unfunded'' and inserting ''accrued'' each place it appears; and

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

''(n) Under regulations prescribed by the Office, the head of an agency may request reconsideration of any amount determined to be payable with respect to such agency under section 8334(a)(1)(B)–(D). Any such request shall be referred to the Board of Actuaries of the Civil Service Retirement System. The Board of Actuaries shall review the computations of the Office and may make any adjustment with respect to any such amount which the Board determines appropriate. A determination by the Board of Actuaries under this subsection shall be final.''.

(b) GOVERNMENT CONTRIBUTIONS.—Section 8423 of title 5, United States Code, is amended—

(1) in subsection (a)(2) by striking ''section 8422'' and inserting ''section 8422(a)''; and

(2) in subsection (b)(2) by striking ''equal annual installments'' and inserting ''annual installments set in accordance with generally accepted actuarial practices and principles''.

**SEC. 402. CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.**

(a) Section 101 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2001) is amended—

(1) in paragraph (5), to read as follows:

''(5) UNFUNDED LIABILITY.—The term 'unfunded liability' means the estimated excess of—

''(A) the actuarial present value of all future benefits payable from the Fund under title II of this Act based on the service of current or former participants, over

''(B) the sum of—

''(i) the actuarial present value of deductions to be withheld from the future basic pay of participants currently subject to title II of this Act pursuant to section 211;

''(ii) the actuarial present value of the future contributions to be made pursuant to section 211 with respect to participants currently subject to title II of this Act;

''(iii) the Fund balance, as defined in paragraph (4), as of the date the unfunded liability is determined; and

''(iv) any other appropriate amount, as determined by the Director in accordance with generally accepted actuarial practices and principles.'';

(2) in paragraph (6)—

(A) by striking '' 'normal cost' '' and inserting '' 'normal cost percentage' ''; and

(B) by inserting ''and standards (using dynamic assumptions)'' after ''practice''; and

(3) by adding at the end the following paragraph:

''(10) DYNAMIC ASSUMPTIONS.—The term 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.''.

(b) Section 202 of such Act (50 U.S.C. 2012) is amended by adding at the end the following: ''The Fund is appropriated for the payment of benefits as provided by this title.''.

(c) Section 211(a)(2) of such Act (50 U.S.C. 2021(a)(2)) is amended to read as follows:

''(2) AGENCY CONTRIBUTIONS.—The Agency shall contribute to the Fund the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Central Intelligence Agency Retirement and Disability System by the Director. Contributions under this paragraph shall be paid from amounts available for salaries and expenses.''.

(d) Section 261 of such Act (50 U.S.C. 2091) is amended—

(1) by striking subsections (c), (d), and (e); and

(2) by inserting after subsection (b) the following new subsections:

''(c)(1) Not later than June 30, 2005, the Director shall cause to be made actuarial valuations of the Fund that determine the unfunded liability of the Fund, as of September 30, 2004, attributable to benefits payable under this title and make recommendations regarding its liquidation. After considering such recommendations, the Director shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Director shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Director shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(4) Amortization schedules established under this subsection shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Civil Service Retirement and Disability System.

''(d) At the beginning of each fiscal year, beginning on October 1, 2005, the Director shall notify the Secretary of the Treasury of the amount of the first installment under the most recent amortization schedule established under subsection (c). The Secretary shall credit that amount to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated. For the purposes of Section 504 of the National Security Act of 1947, this amount shall be considered authorized.''.

(e)(1) Title III of such Act (50 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

**''SEC. 308. FULL FUNDING OF RETIREE COSTS FOR EMPLOYEES DESIGNATED UNDER SECTION 302.**

''(a) In addition to other government contributions required by law, the Agency shall contribute to the Civil Service Retirement and Disability fund (hereinafter in this section referred to as the 'Fund') amounts calculated in accordance with section 8423 of title 5, United States Code, based on the projected number of employees to be designated pursuant to section 302 of this Act. In addition, the Agency, in a manner similar to that established for employee contributions to the Fund by section 8422 of title 5, United States Code, will contribute an amount equal to the difference between that which would be contributed by the number of employees projected to be designated under section 302 and the amounts that are actually being deducted and contributed from the basic pay of an equal number of employees pursuant to section 8422. The amounts of the Agency's contributions under this subsection shall be determined by the Director of the Office of Personnel Management, in consultation with the Director, and shall be paid by the Agency from funds available for salaries and expenses. Agency employees designated pursuant to section 302 of this Act shall, commencing with such designation, have deducted from their basic pay the full amount required by section 8422 of title 5, United States Code, and such deductions shall be contributed to the Fund.

''(b)(1) The Director of the Office of Personnel Management, in consultation with the Director, shall determine the total amount of unpaid contributions (government and employee contributions) and interest attributable to the number of individuals employed with the Agency on September 30, 2005, who are projected to be designated under section 302 of this Act, but are not yet designated under that section as of that date. The amount shall be referred to as the section 302 unfunded liability.

''(2) Not later than June 30, 2006, the Director of the Office of Personnel Management, in consultation with the Director, shall establish an amortization schedule, setting forth a series of annual installments commencing September 30, 2006, which provides for the liquidation of the section 302 unfunded liability by September 30, 2013.

''(3) At the end of each fiscal year, beginning on September 30, 2006, the Director shall notify the Secretary of the Treasury of the amount of the annual installment under the amortization schedule established under paragraph (2) of this subsection. Before closing the accounts for that fiscal year, the Secretary shall credit that amount to the

Fund, out of any money in the Treasury of the United States not otherwise appropriated.

''(c) Amounts paid by the Agency pursuant to this section are deemed to be specifically authorized by the Congress for the purposes of section 504 of the National Security Act of 1947.''.

(2) The table of contents of such Act is amended by inserting after the item relating to section 307 the following new item:

''Sec. 308. Full funding of retiree costs for employees designated under section 302.''.

**SEC. 403. FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.**

Chapter 8 of title I of the Foreign Service Act of 1980, Public Law 96–465 (22 U.S.C. 4041 et seq.) 94 Stat. 2071, as amended, is further amended—

(1) in section 804 (22 U.S.C. 4044)—

(A) by amending paragraph (5) to read as follows:

''(5) 'normal cost percentage' means the entry-age normal cost computed in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;'';

(B) by amending paragraph (14) to read as follows:

''(14) 'unfunded liability' means the estimated excess of—

''(A) the actuarial present value of all future benefits payable from the Fund under this part based on the service of current or former participants, over

''(B) the sum of—

''(i) the actuarial present value of deductions to be withheld from the future basic pay of participants currently subject to this part pursuant to section 805;

''(ii) the actuarial present value of the future contributions to be made pursuant to section 805 with respect to participants currently subject to this part;

''(iii) the Fund balance, as defined in paragraph (7), as of the date the unfunded liability is determined, excluding any amount attributable to the Foreign Service Pension System, or contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of any individual who became subject to the Foreign Service Pension System; and

''(iv) any other appropriate amount, as determined by the Secretary of the Treasury in accordance with generally accepted actuarial practices and principles.''; and

(C)(i) by striking the period at the end of paragraph (15) and inserting ''; and''; and

(ii) by adding at the end the following new paragraph:

''(16) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.'';

(2) in section 852 (22 U.S.C. 4071a)—

(A) in paragraph (4)—

(i) by striking ''normal cost'' and inserting ''normal cost percentage''; and

(ii) by striking ''by the Secretary of State'';

(B) in paragraph (7)—

(i) by striking ''supplemental'' and inserting ''unfunded'';

(ii) in subparagraph (B)(i) by striking ''(I)'' and ''and (II) contributions for past civilian and military service''; and

(iii) in subparagraph (B)(ii) by inserting before the semicolon ''with respect to participants currently subject to this part''; and

(C)(i) at the end of paragraph (8) by striking ''and'';

(ii) at the end of paragraph (9) by striking the period and inserting ''; and''; and

(iii) by adding at the end the following new paragraph:

''(10) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.'';

(3) in section 805(a)(1) (22 U.S.C. 4045(a)(i))—

(A) by striking the second sentence;

(B) by redesignating that subsection, as so amended, as (a)(1)(A);

(C) by redesignating the last sentence of that subsection, as so amended as (a)(1)(C);

(D) by inserting after subparagraph (A) the following new subparagraph:

''(B) Each employing agency having participants shall contribute to the Fund the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Foreign Service Retirement and Disability System. Contributions under this subparagraph shall be paid from the appropriations or fund used for payment of the salary of the participant.'';

(E) in subsection (a)(2)(A) by striking ''An equal amount shall be contributed by the Department'' and inserting in its place ''Each employing agency having participants shall contribute to the Fund the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Foreign Service Retirement and Disability System''; and

(F) in subsection (a)(2)(B) by striking ''An equal amount shall be contributed by the Department'' and inserting in its place ''Each employing agency having participants shall contribute to the Fund from amounts available for salaries and expenses the amount computed in a manner similar to that used under section 8334(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage of the Foreign Service Retirement and Disability System'';

(4) by repealing sections 821 and 822 (22 U.S.C. 4061 and 4062) and by adding the following new section:

''SEC. 821. UNFUNDED LIABILITY.—(a)(1) Not later than June 30, 2005, the Secretary of State shall cause to be made actuarial valuations of the Fund that determine the unfunded liability of the Fund, as of September 30, 2004, attributable to benefits payable under this subchapter and make recommendations regarding its liquidation. After considering such recommendations, the Secretary of State shall establish an amortization schedule, including a series of annual installments commencing October 1, 2004, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Secretary of State shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Secretary of State shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(4) Amortization schedules established under this subsection shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Foreign Service Retirement and Disability System.

''(b) At the beginning of each fiscal year, beginning on October 1, 2005, the Secretary of State shall notify the Secretary of the Treasury of the amount of the first installment under the most recent amortization schedule established under paragraph (1). The Secretary of the Treasury shall credit that amount to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.'';

(5) in section 857(b)(1) (22 U.S.C. 4071f(b)(1)) by striking ''equal annual installments'' and inserting ''annual installments set in accordance with generally accepted actuarial practices and principles'';

(6) in section 859 (22 U.S.C. 4071h) by adding ''percentage'' after ''normal cost'';

(7) in section 802 (22 U.S.C. 4042) by adding at the end the following: ''The Fund is appropriated for the payment of benefits as provided by this subchapter.''; and

(8) in section 818 (22 U.S.C. 4058) by striking ''System'' and inserting ''Systems under this subchapter''.

**SEC. 404. PUBLIC HEALTH SERVICE COMMISSIONED CORPS RETIREMENT SYSTEM.**

(a) IN GENERAL.—Title II of the Public Health Service Act (42 U.S.C. 202 et seq.) is amended by adding at the end the following new part:

**''PART C—PUBLIC HEALTH SERVICE COMMISSIONED CORPS RETIREMENT SYSTEM**

''ESTABLISHMENT AND PURPOSE OF FUND

''SEC. 251. There is established on the books of the Treasury a fund to be known as the Public Health Service Commissioned Corps Retirement Fund (hereinafter in this part referred to as the 'Fund'), which shall be administered by the Secretary. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis liabilities of the Department of Health and Human Services for benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of this title.

''ASSETS OF THE FUND

''SEC. 252. There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under section 255.

''(2) Any return on investment of the assets of the Fund.

''(3) Amounts transferred into the Fund pursuant to section 404(c) of the Deficit Control Act of 2004.

''PAYMENT FROM THE FUND

''SEC. 253. There shall be paid from the Fund benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of this title.

''DETERMINATION OF CONTRIBUTIONS TO THE FUND

''SEC. 254. (a)(1) Not later than June 30, 2005, the Secretary shall determine the unfunded liability of the Fund attributable to service performed as of September 30, 2004, which is 'active service' for the purpose of

section 212. The Secretary shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over 5 years.

''(b) The Secretary shall determine each fiscal year, in sufficient time for inclusion in the budget request for the following fiscal year, the total amount of Department of Health and Human Services contributions to be made to the Fund during the fiscal year under section 255(a). That amount shall be the sum of—

''(1) the product of—

''(A) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (c)(1) at the time of the most recent actuarial valuation under subsection (c); and

''(B) the total amount of basic pay expected to be paid during that fiscal year to commissioned officers of the Public Health Service on active duty (other than active duty for training); and

''(2) the product of—

''(A) the current estimate of the value of the single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) to be determined under subsection (c)(2) at the time of the most recent actuarial valuation under subsection (c); and

''(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) expected to be paid during the fiscal year to commissioned officers of the Reserve Corps of the Public Health Service (other than officers on full-time duty other than for training) who are not otherwise described in subparagraph (A).

''(c) Not less often than every four years thereafter (or by the fiscal year end prior to the effective date of any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors), the Secretary shall carry out an actuarial valuation of benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of this title. Each such actuarial valuation shall be signed by an enrolled Actuary and shall include—

''(1) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for commissioned officers of the Public Health Service on active duty (other than active duty for training); and

''(2) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) of commissioned officers of the Reserve Corps of the Public Health Service (other than officers on full time duty other than for training) who are not otherwise described in paragraph (1).

''(d) All determinations under this section shall be in accordance with generally accepted actuarial principles and practices and, where appropriate, shall follow the general pattern of methods and assumptions approved by the Department of Defense Retirement Board of Actuaries.

''(e) The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Fund.

''PAYMENTS INTO THE FUND

''SEC. 255. (a) From amounts available to the Department of Health and Human Services for salaries and expenses, the Secretary shall pay into the Fund at the end of each month the amount that is the sum of—

''(1) the product of—

''(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under sections 254(c)(1) (except that any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay accrued for that month by commissioned officers of the Public Health Service on active duty (other than active duty for training); and

''(2) the product of—

''(A) the level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 254(c)(2) (except that any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determinations); and

''(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37, United States Code) accrued for that month by commissioned officers of the Reserve Corps of the Public Health Service (other than officers on full-time duty other than for training).

''(b) At the beginning of each fiscal year, beginning on October 1, 2005, the Secretary shall certify to the Secretary of the Treasury the amount of the first installment under the most recent amortization schedule established under section 254(a). The Secretary of the Treasury shall pay into the Fund from the General Fund of the Treasury the amount so certified. Such payment shall be the contribution to the Fund for that fiscal year.

''INVESTMENTS OF ASSETS OF FUND

''SEC. 256. The Secretary may request the Secretary of the Treasury to invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet the current needs of the Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the Fund.

''IMPLEMENTATION YEAR EXCEPTIONS

''SEC. 257. (a) To avoid funding shortfalls in the first year should formal actuarial determinations not be available in time for budget preparation, the amounts used in the first year in sections 255(a)(1)(A) and 255(a)(2)(A) shall be set equal to those estimates in sections 254(b)(1)(A) and 254(b)(2)(A) if final determinations are not available. The original unfunded liability as defined in section 254(a) shall include an adjustment to correct for this difference between the formal actuarial determinations and the estimates in sections 254(b)(1)(A) and 254(b)(2)(A).''.

(b) CONFORMING AMENDMENTS.—

(1) CONDITION OF DETAIL.—Section 214 of the Public Health Service Act (42 U.S.C. 215) is amended by adding at the end the following new subsection:

''(e) The Secretary shall condition any detail under subsection (a), (b), or (c) upon the agreement of the executive department, State, subdivision, Committee of the Congress, or institution concerned to pay to the Department of Health and Human Services, in advance or by way of reimbursement, for the full cost of the detail including that portion of the contributions under section 255(a) that is attributable to the detailed personnel.''.

(2) EXEMPTION FROM SEQUESTRATION.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended—

(A) in subparagraph (A), by inserting after the item relating to ''payment to the foreign service retirement and disability fund'' the following item: ''Payment to the Public Health Service Commissioned Corps Retirement Fund (75–0380–0–1–551);''; and

(B) in subparagraph (B), by inserting after the item relating to the ''Pensions for former Presidents'' the following item: ''Public Health Service Commissioned Corps Retirement Fund (75–8274–0–7–602);''.

(c) TRANSFER OF APPROPRIATIONS.—There shall be transferred on October 1, 2006, into the fund established under section 251 of the Public Health Service Act, as added by subsection (a), any obligated or unobligated balances of appropriations made to the Department of Health and Human Services that are currently available for benefits payable on account of retirement, disability, or death to commissioned officers of the Public Health Service and to their survivors pursuant to part A of title II of the Public Health Service Act, and amounts so transferred shall be part of the assets of the Fund.

**SEC. 405. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION COMMISSIONED OFFICER CORPS RETIREMENT SYSTEM.**

(a) IN GENERAL.—The National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (title II of Public Law 107–372) is amended by inserting after section 246 (33 U.S.C. 3046) the following new section:

''SEC. 246A. (a) ESTABLISHMENT AND PURPOSE OF NOAA COMMISSIONED OFFICER CORPS RETIREMENT FUND.—(1) There is established on the books of the Treasury a fund to be known as the National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement Fund (hereinafter in this section referred to as the 'Fund'), which shall be administered by the Secretary. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis liabilities of the Department of Commerce under military retirement and survivor benefit programs for the commissioned officers corps.

''(2) The term 'military retirement and survivor benefit program' means—

''(A) the provisions of this title and title 10, United States Code, creating entitlement to, or determining, the amount of retired pay;

''(B) the programs under the jurisdiction of the Department of Defense providing annuities for survivors and members and former members of the Armed Forces, including chapter 73 of title 10, section 4 of Public Law 92–425, and section 5 of Public Law 96–202, as made applicable to the commissioned officer corps by section 261.

''(b) ASSETS OF THE FUND.—There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under subsection (e).

''(2) Any return on investment of the assets of the Fund.

''(3) Amounts transferred into the Fund pursuant to section 405(c) of the Deficit Control Act of 2004.

''(c) PAYMENTS FROM THE FUND.—There shall be paid from the Fund benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the commissioned officer corps and their survivors.

''(d) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—(1)(A) Not later than June 30, 2004, the Secretary shall determine the unfunded liability of the Fund attributable to service performed as of September 30, 2004, which is 'active service' for the purpose of this title. The Secretary shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(B) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each fiscal year beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(C) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new authorization schedule, including series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over 5 years.

''(2) The Secretary shall determine each fiscal year, in sufficient time for inclusion in the budget request for the following fiscal year, the total amount of Department of Commerce contributions to be made to the Fund during that fiscal year under (e). The amount shall be the product of—

''(A) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (e) at the time of the most recent actuarial valuation under paragraph (3); and

''(B) the total amount of basic pay expected to be paid during that fiscal year to commissioned officers of NOAA on active duty.

''(3) Not less often then every four years (or by the fiscal year end before the effective date of any statutory change affecting benefits payable on account of retirement, disability, or death to commissioned officers or their survivors), the Secretary shall carry out an actuarial valuation of benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the Administration and to their survivors. Each such actuarial valuation shall be signed by an enrolled Actuary and shall include a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for commissioned officers on active duty.

''(4) All determinations under this section shall be in accordance with generally accepted actuarial principles and practices, and, where appropriate, shall follow the general pattern of methods and assumptions approved by the Department of Defense Retirement Board of Actuaries.

''(5) The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Fund.

''(e) PAYMENTS INTO THE FUND.—(1) From amounts appropriated to the National Oceanic Atmospheric Administration for salaries and expenses, the Secretary shall pay into the Fund at the end of each month the amount that is the product of—

''(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under subsection (d) (except that any statutory change affecting benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the Administration and to their survivors that is effective date after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay accrued for that month by commissioned officers on active duty.

''(2)(A) At the beginning of each fiscal year, the Secretary shall determine the sum of—

''(i) the amount of the payment for that year under the amortization of the original unfunded liability of the Fund;

''(ii) the amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary for the amortization of any cumulative actuarial gain or loss to the Fund, resulting from changes in benefits; and

''(iii) the amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary for the amortization or any cumulative actuarial gain or loss to the Fund resulting from changes in actuarial assumptions and from experience different from the assumed since the last valuation.

The Secretary shall promptly certify the amount of the sum to the Secretary of the Treasury.

''(B) Upon receiving the certification pursuant to paragraph (1), the Secretary of the Treasury shall promptly pay into the Fund from the General Fund of the Treasury the amount so certified. Such payment shall be the contribution to the Fund for that fiscal year.

''(f) INVESTMENT OF ASSETS OF THE FUND.—The Secretary may request the Secretary of the Treasury to invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet the current needs of the Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income of such investments shall be credited to and form a part of the Fund.

''(g) IMPLEMENTATION YEAR EXCEPTIONS.—(1) To avoid funding shortfalls in the first year should formal actuarial determinations not be available in time for budget preparation, the amounts used in the first year in subsection (e)(1)(A) shall be set equal to the estimate in subsection (d)(2)(A) if final determinations are not available. The original unfunded liability as determined in subsection (d)(1) shall include an adjustment to correct for this difference between the formal actuarial determinations and the estimates in subsection (d)(2)(A).''.

(b) EXEMPTION FROM SEQUESTRATION.—Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(B)) is amended by striking ''National Oceanic and Atmospheric Administration retirement (13–1450–0–1–306);'' and inserting ''National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement Fund;''.

(c) TRANSFER OF APPROPRIATIONS.—There shall be transferred on October 1, 2006, into the fund established under section 246A(a) of the National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (title II of Public Law 107–372, as added by subsection (a)), any obligated and unobligated balance of appropriations made to the Department of Commerce that are available as of the date of the enactment of this Act for benefits payable on account of military retirement and survivor benefit programs to commissioned officers of the NOAA Commissioned Officer Corps and to their survivors, and amounts so transferred shall be part of the assets of the Fund, effective October 1, 2006.

(d) EFFECTIVE DATE.—Subsection (c) (relating to payments from the Fund) and (e) (relating to payments into the Fund) of section 246A of the National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (title II of Public Law 107–372, as added by subsection (a)), shall take effect on October 1, 2006.

**SEC. 406. COAST GUARD MILITARY RETIREMENT SYSTEM.**

(a) ACCRUAL FUNDING FOR COAST GUARD RETIREMENT.—

(1) IN GENERAL.—Chapter 11 of title 14, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER V—COAST GUARD MILITARY RETIREMENT FUND

**''§ 441. Establishment and purpose of Fund; definitions**

''(a) ESTABLISHMENT OF FUND; PURPOSE.—There is established on the books of the Treasury a fund to be known as the Coast Guard Military Retirement Fund (hereinafter in this subchapter referred to as the 'Fund'), which shall be administered by the Secretary. The Fund shall be used for the accumulations of funds in order to finance on an actuarially sound basis liabilities of the Coast Guard under military retirement and survivor benefit programs.

''(b) MILITARY RETIREMENT AND SURVIVOR BENEFIT PROGRAMS DEFINED.—In this subchapter, the term 'military retirement and survivor benefit programs' means—

''(1) the provisions of this title and title 10 creating entitlement to, or determining the amount of, retired pay;

''(2) the programs providing annuities for survivors of members and former members of the armed forces, including chapter 73 of title 10, section 4 of Public Law 92–425, and section 5 of Public Law 96–402; and

''(3) the authority provided in section 1048(h) of title 10.

''(c) SECRETARY DEFINED.—In this subchapter, the term 'Secretary' means the Secretary of Homeland Security when the Coast Guard is not operating as a service in the Navy and the Secretary of Defense when the Coast Guard is operating as a service in the Navy.

**''§ 442. Assets of the Fund**

''There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under section 445 of this title.

''(2) Any return on investment of the assets of the Fund.

''(3) Amounts transferred into the Fund pursuant to section 406(d) of the Deficit Control Act of 2004.

**''§ 443. Payments from the Fund**

''(a) IN GENERAL.—There shall be paid from the Fund the following:

''(1) Retired pay payable to persons on the retired list of the Coast Guard.

''(2) Retired pay payable under chapter 1223 of title 10 to former members of the Coast Guard and the former United States Lighthouse Service.

''(3) Benefits payable under programs that provide annuities for survivors of members and former members of the armed forces, including chapter 73 of title 10, section 4 of Public Law 92–425, and section 5 of Public Law 96–402.

''(4) Amounts payable under section 1048(h) of title 10.

''(b) AVAILABILITY OF ASSETS OF THE FUND.—The assets of the Fund are hereby made available for payments under subsection (a).

**''§ 444. Determination of contributions to the Fund**

''(a) INITIAL UNFUNDED LIABILITY.—(1) Not later than June 30, 2005, the Secretary shall determine the unfunded liability of the Fund attributable to service performed as of September 30, 2004, which is 'active service' for the purposes of section 212. The Secretary shall establish an amortization schedule, including a series of annual installments commencing October 1, 2005, which provides for the liquidation of such liability by October 1, 2044.

''(2) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year, for each beginning after September 30, 2004, through the fiscal year ending September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability by October 1, 2044.

''(3) The Secretary shall redetermine the unfunded liability of the Fund as of the close of the fiscal year for each fiscal year beginning after September 30, 2039, and shall establish a new amortization schedule, including a series of annual installments commencing on October 1 of the second subsequent fiscal year, which provides for the liquidation of such liability over five years.

''(b) ANNUAL CONTRIBUTIONS FOR CURRENT SERVICES.—(1) The Secretary shall determine each fiscal year, in sufficient time for inclusion in the budget request for the following fiscal year, the total amount of Department of Homeland Security, or Department of Defense, contributions to be made to the Fund during that fiscal year under section 445(a) of this title. That amount shall be the sum of the following:

''(A) The product of—

''(i) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (c)(1)(A) at the time of the most recent actuarial valuation under subsection (c); and

''(ii) the total amount of basic pay expected to be paid during that fiscal year to members of the Coast Guard on active duty (other than active duty for training).

''(B) The product of—

''(i) the current estimate of the value of the single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) to be determined under subsection (c)(1)(B) at the time of the most recent actuarial valuation under subsection (c); and

''(ii) the total amount of basic pay and compensation (paid pursuant to section 206 of title 37) expected to be paid during that fiscal year to members of the Coast Guard Ready Reserve (other than members on full-time Reserve duty other than for training) who are not otherwise described in subparagraph (A)(ii).

''(2) The amount determined under paragraph (1) for any fiscal year is the amount needed to be appropriated to the Department of Homeland Security for that fiscal year for payments to be made to the Fund during that year under section 445(a) of this title. The President shall include not less than the full amount so determined in the budget transmitted to Congress for that fiscal year under section 1105 of title 31. The President may comment and make recommendations concerning any such amount.

''(c) PERIODIC ACTUARIAL VALUATIONS.—(1) Not less often than every four years (or before the effective date of any statutory change affecting benefits payable on account of retirement, disability, or death to members of the Coast Guard or their survivors), the Secretary shall carry out an actuarial valuation of the Coast Guard military retirement and survivor benefit programs. Each actuarial valuation of such programs shall be signed by an enrolled actuary and shall include—

''(A) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for members of the Coast Guard on active duty (other than active duty for training); and

''(B) a determination (using the aggregate entry-age normal cost method) of single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) for members of the Ready Reserve of the Coast Guard (other than members on full-time Reserve duty other than for training) who are not otherwise described in subparagraph (A).

''(2) Such single level percentages shall be used for the purposes of subsection (b) and section 445(a) of this title.

''(d) USE OF GENERALLY ACCEPTED ACTUARIAL PRINCIPLES AND PRACTICES.—All determinations under this section shall be in accordance with generally accepted actuarial principles and practices and, where appropriate, shall follow the general pattern of methods and assumptions approved by the Department of Defense Retirement Board of Actuaries.

''(e) RECORDS.—The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Fund.

**''§ 445. Payments into the Fund**

''(a) MONTHLY ACCRUAL CHARGE FOR CURRENT SERVICES.—From amounts appropriated to the Coast Guard for salaries and expenses, the Secretary shall pay into the Fund at the end of each month as the Department of Homeland Security, or Department of Defense, contribution to the Fund for that month the amount that is the sum of the following:

''(1) The product of—

''(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 444(c)(1)(A) of this title (except that any statutory change in the military retirement and survivor benefit systems that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay accrued for that month by members of the Coast Guard on active duty (other than active duty for training).

''(2) The product of—

''(A) the level percentage of basic pay and compensation (accrued pursuant to section 206 of title 37) determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 444(c)(1)(B) of this title (except that any statutory change in the military retirement and survivor benefit systems that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

''(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37) accrued for that month by members of the Ready Reserve (other than members of full-time Reserve duty other than for training) who are not otherwise described in paragraph (1)(B).

''(b) ANNUAL PAYMENT FOR UNFUNDED LIABILITIES.—(1) At the beginning of each fiscal year, beginning on October 1, 2005, the Secretary shall certify to the Secretary of the Treasury the amount of the first installment under the most recent amortization schedule established under section 254(a). The Secretary of the Treasury shall promptly pay into the Fund from the General Fund of the Treasury the amount so certified. Such payment shall be the contribution to the Fund for that fiscal year.

**''§ 446. Investment of assets of the Fund**

''The Secretary may request the Secretary of the Treasury to invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet the current needs of the Fund. Such investments shall be made by the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the Fund.''.

(2) TECHNICAL AMENDMENTS.—Such chapter is further amended—

(A) by amending the center heading after the table of sections to read as follows:

''SUBCHAPTER I—OFFICERS'';

(B) by amending the center heading after section 336 to read as follows:

''SUBCHAPTER II—ENLISTED MEMBERS'';

(C) by amending the center heading after section 373 to read as follows:

''SUBCHAPTER III—GENERAL PROVISIONS'';

and

(D) by amending the center heading after section 425 to read as follows:

''SUBCHAPTER IV—SPECIAL PROVISIONS''.

(3) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended—

(A) by striking ''OFFICERS'' at the beginning of the table and inserting ''SUBCHAPTER I—OFFICERS'';

(B) by striking ''ENLISTED MEMBERS'' after the item relating to section 336 and inserting ''SUBCHAPTER II—ENLISTED MEMBERS'';

(C) by striking ''GENERAL PROVISIONS'' after the item relating to section 373 and inserting ''SUBCHAPTER III—GENERAL PROVISIONS'';

(D) by striking ''SPECIAL PROVISIONS'' after the item relating to section 425 and inserting ''SUBCHAPTER IV—SPECIAL PROVISIONS''; and

(E) by adding at the end the following:

''SUBCHAPTER V—COAST GUARD MILITARY RETIREMENT FUND

''441. Establishment and purpose of Fund; definitions.

''442. Assets of the Fund.
''443. Payments from the Fund.
''444. Determination of contributions to the Fund.
''445. Payments into the Fund.
''446. Investment of assets of the Fund.''.

(b) IMPLEMENTATION YEAR EXCEPTIONS.—To avoid funding shortfalls in the first year of implementation of subchapter V of chapter 11 of title 14, United States Code, as added by subsection (a), if formal actuarial determinations are not available in time for budget preparation, the amounts used in the first year under sections 445(a)(1)(A) and 445(a)(2)(A) of such title shall be set equal to those estimates in sections 444(b)(1)(A)(i) and 444(b)(1)(B)(i), respectively, of such title if final determinations are not available. The original unfunded liability, as defined in section 444(a) of such title, shall include an adjustment to correct for this difference between the formal actuarial determinations and the estimates in sections 444(b)(1)(A)(i) and 444(b)(1)(B)(i) of such title.

(c) CONFORMING AMENDMENT.—Subparagraph (B) of section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by striking ''Retired Pay, Coast Guard (69–0241–0–1–403)'' and inserting ''Coast Guard Military Retirement Fund (69–0241–01–403)''.

(d) TRANSFER OF EXISTING BALANCES.—

(1) TRANSFER.—There shall be transferred into the Fund on October 1, 2005, any obligated and unobligated balances of appropriations made to the Department of Homeland Security that are currently available for retired pay, and amounts so transferred shall be part of the assets of the Fund.

(2) FUND DEFINED.—For purposes of paragraph (1), the term ''Fund'' means the Coast Guard Military Retirement Fund established under section 441 of title 14, United States Code, as added by subsection (a).

(e) EFFECTIVE DATE.—Sections 443 (relating to payments from the Fund) and 445 (relating to payments into the Fund) of title 14, United States Code, as added by subsection (a), shall take effect on October 1, 2005.

**Subtitle B—Accrual Funding of Post-Retirement Health Benefits Costs for Federal Employees**

**SEC. 411. FEDERAL EMPLOYEES HEALTH BENEFITS FUND.**

(a) Section 8906 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (c)(1) and by adding at the end the following new paragraphs:

''(2) In addition to Government contributions required by subsection (b) and paragraph (1), each employing agency shall contribute amounts as determined by the Office to be necessary to prefund the accruing actuarial cost of post-retirement health benefits for each of the agency's current employees who are eligible for Government contributions under this section. Amounts under this paragraph shall be paid by the employing agency separate from other contributions under this section, from the appropriations or fund used for payment of the salary of the employee, on a schedule to be determined by the Office.

''(3) Paragraph (2) shall not apply to the United States Postal Service or the government of the District of Columbia.''; and

(2) by amending subsection (g)(1) to read as follows:

''(g)(1) Except as provided in paragraphs (2) and (3), all Government contributions authorized by this section for health benefits for an annuitant shall be paid from the Employees Health Benefits Fund to the extent that funds are available in accordance with section 8909(h)(6) and, if necessary, from annual appropriations which are authorized to be made for that purpose and which may be made available until expended.''.

(b) Section 8909 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(h)(1) Not later than June 30, 2006, the Office shall determine the existing liability of the Fund for post-retirement health benefits, excluding the liability of the United States Postal Service for service under section 8906(g)(2), under this chapter as of September 30, 2006. The Office shall establish an amortization schedule, including a series of annual installments commencing September 30, 2006, which provides for the liquidation of such liability by September 30, 2043.

''(2) At the close of each fiscal year, for fiscal years beginning after September 30, 2005, the Office shall determine the supplemental liability of the Fund for post-retirement health benefits, excluding the liability attributable to the United States Postal Service for service subject to section 8906(g)(2), and shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for liquidation of such supplemental liability over 30 years.

''(3) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles.

''(4) At the end of each fiscal year on and after September 30, 2006, the Office shall notify the Secretary of the Treasury of the amounts of the next installments under the most recent amortization schedules established under paragraphs (1) and (2). Before closing the accounts for the fiscal year, the Secretary shall credit the sum of these amounts (including in that sum any negative amount for the amortization of the supplemental liability) to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.

''(5) For the purpose of carrying out paragraphs (1) and (2), the Office shall perform or arrange for actuarial determinations and valuations and shall prescribe retention of such records as it considers necessary for making periodic actuarial valuations of the Fund.

''(6) Notwithstanding subsection (b), the amounts deposited into the Fund pursuant to this subsection and section 8906(c)(2) to prefund post-retirement health benefits costs shall be segregated within the Fund so that such amounts, as well as earnings and proceeds under subsection (c) attributable to them, may be used exclusively for the purpose of paying Government contributions for post-retirement health benefits costs. When such amounts are used in combination with amounts withheld from annuitants to pay for health benefits, a portion of the contributions shall then be set aside in the Fund as described in subsection (b).

''(7) Under this subsection, 'supplemental liability' means—

''(A) the actuarial present value for future post-retirement health benefits that are the liability of the Fund, less

''(B) the sum of—

''(i) the actuarial present value of all future contributions by agencies and annuitants to the Fund toward those benefits pursuant to section 8906;

''(ii) the present value of all scheduled amortization payments to the Fund pursuant to paragraphs (1) and (2);

''(iii) the Fund balance as of the date the supplemental liability is determined, to the extent that such balance is attributable to post-retirement benefits; and

''(iv) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles.''.

**SEC. 412. FUNDING UNIFORMED SERVICES HEALTH BENEFITS FOR ALL RETIREES.**

Title 10, United States Code, is amended—

(1) in the title of chapter 56, by striking ''**DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE**'' and inserting ''**UNIFORMED SERVICES**'';

(2) in section 1111—

(A) in subsection (a)—

(i) by striking ''Department of Defense Medicare-Eligible'' and inserting ''Uniformed Services'';

(ii) by striking ''Department of Defense under''; and

(iii) by striking ''for medicare-eligible beneficiaries'';

(B) in subsection (c)—

(i) by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall'';

(ii) by striking ''with any other'' and inserting ''with each'';

(iii) by striking ''Any such agreement'' and inserting ''Such agreements''; and

(iv) by striking ''administering Secretary may'' and inserting ''administrative Secretary shall'';

(3) in section 1113—

(A) in subsection (a)—

(i) by striking ''and are medicare eligible'';

(ii) by striking ''who are medicare eligible''; and

(iii) by adding at the end the following new sentence: ''For the fiscal year starting October 1, 2004, only, the payments will be solely for the costs of members or former members of a uniformed service who are entitled to retired or retainer pay and are medicare-eligible, and eligible dependents or survivors who are medicare-eligible.'';

(B) in subsection (c)(1), by striking ''who are medicare-eligible'';

(C) in subsection (d), by striking ''who are medicare-eligible''; and

(D) in subsection (f), by striking ''If'' and inserting ''When'';

(4) in section 1114, in subsection (a)(1), by striking ''Department of Defense Medicare-Eligible'' and inserting ''Uniformed Services'';

(5) in section 1115—

(A) in subsection (b)(2), by striking ''The amount determined under paragraph (1) for any fiscal year is the amount needed to be appropriated to the Department of Defense (or to the other executive department having jurisdiction over the participating uniformed service)'' and inserting ''The amount determined under paragraph (1), or the amount determined under section 1111(c) for a participating uniformed service, for any fiscal year, is the amount needed to be appropriated to the Department of Defense (or to any other executive department having jurisdiction over a participating uniformed service)'';

(B) in subsection (c)(2), by striking ''for medicare eligible beneficiaries''; and

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

''(f) For the fiscal year starting October 1, 2004, only, the amounts in this section shall be based solely on the costs of medicare-eligible benefits of beneficiaries and the costs for their eligible dependents or survivors who are medicare-eligible, and shall be recalculated thereafter to reflect the cost of beneficiaries defined in section 1111.''; and

(6) in section 1116—

(A) in subsection (a)(1)(A), by striking ''for medicare-eligible beneficiaries'';

(B) in subsection (a)(2)(A), by striking ''for medicare-eligible beneficiaries''; and

(C) in subsection (c), by striking ''subsection (a) shall be paid from funds available

for the health care programs'' and inserting ''subsection (a) and section 1111(c) shall be paid from funds available for the pay of members of the participating uniformed services under the jurisdiction of the respective administering secretaries''.

**SEC. 413. EFFECTIVE DATE.**

Except as otherwise provided, this title shall take effect upon enactment with respect to fiscal years beginning after 2005.

''Sec. 601. Short title.
''Sec. 602. Budgetary treatment.
''Sec. 603. Timetable for implementation of accrual budgeting for Federal insurance programs.
''Sec. 604. Definitions.
''Sec. 605. Authorizations to enter into contracts; actuarial cost account.
''Sec. 606. Effective date.''.

**Subtitle C—Limit on the Public Debt**

**SEC. 421. LIMIT ON PUBLIC DEBT.**

Section 3101 of title 31, United States Code, is amended to read as follows:

**''§ 3101. Public debt limit**

''(a) In this section, the current redemption value of an obligation issued on a discount basis and redeemable before maturity at the option of its holder is deemed to be the face amount of the obligation.

''(b) The face amount of obligations issued under this chapter and the face amount of obligations whose principal and interest are guaranteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury and intragovernmental holdings) may not be more than $4,393,000,000,000 outstanding at one time, subject to changes periodically made in that amount as provided by law.

''(c) For purposes of this section, the face amount, for any month, of any obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

''(1) the original issue price of the obligation, plus

''(2) the portion of the discount on the obligation attributable to periods before the beginning of such month (as determined under the principles of section 1272(a) of the Internal Revenue Code of 1986 without regard to any exceptions contained in paragraph (2) of such section).

''(d) For purposes of this section, the term 'intragovernment holding' is any obligation issued by the Secretary of the Treasury to any Federal trust fund or Government account, whether in respect of public money, money otherwise required to be deposited in the Treasury, or amounts appropriated.''.

**TITLE V—PAYGO EXTENSION**

**SEC. 501. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

(a) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(a) PURPOSE.—The purpose of this section is to assure that any legislation that is enacted before October 1, 2007, that causes a net increase in direct spending will trigger an offsetting sequestration.''.

(b) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''any net deficit increase'' and all that follows through ''2002,'' and by inserting ''any net increase in direct spending enacted before October 1, 2007,''.

(c) CALCULATION OF DIRECT SPENDING INCREASE.—Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking ''deficit'' the first place it appears and inserting ''direct spending'';

(2) in subparagraph (A) by striking ''and receipts'';

(3) in subparagraph (C) by striking ''and receipts''; and

(4) by amending the heading to read as follows: ''CALCULATION OF DIRECT SPENDING INCREASE.—''.

(d) CONFORMING AMENDMENTS.—(1) The heading of section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: ''ELIMINATING A DIRECT SPENDING INCREASE.—''.

(2) Paragraphs (1), (2), and (4) of section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''or receipts'' each place it appears.

(3) Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''or receipts'' and by striking '', outlays, and receipts'' and inserting ''and outlays''.

(4) Section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subparagraph (A) by striking ''net deficit increase or decrease'' and by inserting ''net increase or decrease in direct spending'';

(B) in subparagraph (B) by striking ''amount of deficit increase or decrease'' and by inserting ''increase or decrease in direct spending''; and

(C) in subparagraph (C) by striking ''a deficit increase'' and by inserting ''an increase in direct spending''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 692, the gentleman from Illinois (Mr. KIRK) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Illinois (Mr. KIRK).

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

Mr. Chairman, I urge support for the Republican Consensus Budget Substitute. In sum, the consensus substitute saves $445 billion to help protect Social Security and Medicare.

This substitute includes 10 consensus principles that help restrain spending and make it difficult to create new government programs. It represents the work of the Conservative Republican Study Committee and the Moderate Republican Tuesday Group to put spending restraint as a core value of this Congress.

We know that Medicare's unfunded liability is in the red $21 trillion. We know that Social Security's unfunded liability is in the red $10 trillion. In just 5 years, the first baby boomers will start collecting Social Security checks. The number of people collecting Social Security checks will then climb from 40 million Americans to 80 million Americans. To honor our commitment to Social Security and Medicare, we must restrain spending on other programs. Our substitute would cut the growth of other entitlement programs by $445 billion, saving that to meet our Social Security and Medicare commitments.

Now, the Federal Government has made two important promises to the American people: one, to provide for the common defense; and, two, to ensure some retirement security. To honor those expensive financial commitments, we must hold back spending on other programs to keep those promises. In this substitute, we do some things, and we do not do other things. We do not cut Social Security and Medicare. We do honor our commitment to America's retirement security.

And we have other reforms. Ten reforms. They are: a rainy day fund for emergencies, so that we stop our process of emergency appropriations outside the budget.

We have baselines without automatic spending increase inflation adjustments, to begin to slow down the process of spending.

We have annual caps to make sure that we can keep track of the actual budget targets we set.

We have spending controls, automatic reductions, in non-Social Security, non-Medicare accounts to make sure that a budget we pass is one that we actually keep.

We keep promises to seniors by ensuring that Social Security and Medicare are not cut and have additional resources at the government's command to make sure that those programs are strengthened.

We have enhanced rescission protections to make sure that the President would be able to eliminate pork barrel spending projects, like greenhouses in Iowa.

We would be able to also focus on government inefficiencies with a new bipartisan commission.

We would be able to have proper accounting of long-term liability through accrual accounting.

We also have a clear showing of the Federal debt through more transparent reforms.

And, lastly, we maintain our fiscal discipline by making sure pay-as-you-go rules apply to entitlement spending.

Now, many criticize this effort, because while we do not touch Social Security or Medicare, we do hold other spending to the rate of inflation. Some say we must allow government spending to grow much faster than inflation. But if spending grows faster than taxes, we will run out of money; and every senior knows that.

Even Senator KERRY does not agree with the Center on Budget and Policy Priorities. They say that we cannot slow health care costs. But Senator KERRY disagrees. And in his latest TV ad he says the following, and I quote: ''We spend about $1.5 trillion every year on health care in America. $350 billion of that has nothing to do with care. It is all paperwork. We will literally save billions of dollars in health care costs in America by becoming more streamlined and more efficient.'' And he could not be more right.

Ask your seniors a question: Should we cut other entitlement programs so that $445 billion can go to protect Social Security and Medicare? Our seniors are savvy citizens. They know that spending in other programs threatens the long-term future of Social Security and Medicare, and they know that the retirement of the baby boom means that we will need to cut other programs to protect Social Security and Medicare.

Mr. Chairman, I urge adoption of the substitute.

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

Mr. NUSSLE. Mr. Chairman, I claim the time in opposition, and I ask unanimous consent that half of that time be yielded to the gentleman from South Carolina (Mr. SPRATT).

The CHAIRMAN pro tempore. Without objection, the gentleman from South Carolina (Mr. SPRATT) and the gentleman from Iowa (Mr. NUSSLE) each will control 7½ minutes.

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

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

Mr. SPRATT. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the Kirk substitute is Hensarling light, just as objectionable for most of the same reasons, only less so.

He just put up his sign over there which said it would save $445 billion and which could be spent on Medicare and Social Security. That is the estimated savings produced by the Center on Budget and Policy Priorities. The gentleman from Illinois (Mr. KIRK) just said they are wrong, and yet he was holding up a sign indicating that the savings that he would accomplish are just what they indicated they would be.

□ 2245

So he saves $445 billion for Medicare but he gets it by taking $175 billion out of Medicaid, $50 billion out of Federal civil service retirement and disability, $28 billion out of military retirement, $22 billion out of veterans' benefits, on down the list. That is how that $445 billion adds up. He limits the safety net programs to 2 percent. It is true, he picks out some programs that are sensitive, we might call them safety net programs, and he provides they will not be cut more than 2 percent, another difference between him and the gentleman from Texas.

But this provision means that other programs are not deemed to be sensitive and they include child care payments, price supports, farm price supports, crop insurance, TRICARE military health benefits, among others; these face unlimited cuts, larger cuts because the other programs are shielded. These cuts could reach 43 percent by 2014 based on current projections according to the Center on Budget and Policy Priorities.

So this particular substitute is just as bad, only not in dollar terms quite as great, it is just as flawed, has just as many anomalies in it, and for the same reason should be rejected by everyone in this House.

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

Mr. KIRK. Mr. Chairman, I yield 4 minutes to the gentleman from Delaware (Mr. CASTLE), the chairman of the moderate Republican Tuesday Group.

Mr. CASTLE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Kirk substitute and encourage my colleagues to support this compromise approach. I know this is ancient history, but in the 1970s, my home State of Delaware struggled greatly. I know it is a small State, but we were not balancing budgets, we were borrowing money and had the highest tax rate in the United States of America, a 19.8 percent personal income tax rate. In an effort to rectify the situation, the business community got together with then Governor Pete DuPont and decided they had to make procedural changes. These changes included rainy day funds, other set-asides, estimates of revenues, and procedures.

These have been in place, and enforced, since then, resulting in a balanced budget every year. In my opinion, the fact that Delaware has a strongly enforced process has led us to have one of the healthiest economic reports of any State in the country. I am particularly pleased that this substitute includes some of the specific provisions that made such a difference in the State of Delaware.

But as we all know, the existence of process is not enough. It must be enforced. I believe we can all agree on that. At the Federal Government level, we see a great deal of unenforced process when it comes to budgets and appropriations. This leads one to often wonder why we bother doing it. We can do something about this. Enforced process could make a vast difference, not necessarily in balancing the budget but in the reliability of our process. Oversight is also imperative in the enforcement of the process, something I would argue that is not done well in the Congress of the United States.

Finally, any measure of reforming the budget process should improve the transparency of our practice. Our procedure should empower Americans to hold us accountable for our choices. Eliminating structural impediments and obvious loopholes in the process would be a great step in this direction and could improve our ability to pass a budget resolution and individual appropriations bills.

Months ago, the gentleman from Illinois and I got together in an attempt to develop a package that represented a host of balanced approaches to restrain spending and control deficits, including process, oversight, enforcement and transparency. I would like to only highlight a couple of the provisions in the substitute.

We recognized that it was important to create a bipartisan congressional commission to identify wasteful spending and the Kirk substitute includes such a demand on our oversight responsibilities. As we work to get our financial House in order, we must be willing to identify where we are wasting money. While we do have a number of mechanisms at the Federal level to study the effectiveness and efficiency of programs, I do believe we should be paying more attention to wasteful spending each budget cycle.

Today's substitute also addresses PAYGO. I support full PAYGO and believe that both revenues and spending should be included. I have long been arguing that to truly balance our budget everything really should be on the table. I recognize, however, that compromise is a necessity in Congress; without it we can debate ourselves silly, but in the end it is compromise that moves this country forward. For that reason, I support today's substitute despite the fact that it is not full PAYGO.

In an effort to ensure we are abiding by PAYGO rules, today's substitute includes automatic sequesters. This is difficult to swallow, and most of us would never want a sequester triggered. It is, however, necessary to establish boundaries. Unfortunately, many guidelines we have used to control spending and reduce deficits have been and continue to be circumvented. The automatic sequester will require us to live within the guidelines we have set for ourselves, ultimately helping to balance our country's budget.

The Kirk substitute takes a very balanced approach to meeting in the middle. I am in full support of this substitute and encourage its passage.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I have a lot of respect for the sponsor of this amendment and the gentleman who just spoke, but let me make it very clear. There is nothing moderate about this proposal. Not to be too graphic, but imagine going to the deli. The person puts that little ham or turkey up there and an automatic slicer starts going. Just imagine further that the slicer keeps going until the hand goes into the slicer, up to the wrist, up to the forearm. Not a pretty picture.

This is the budget equivalent that is created in this bill. It puts automatic cuts in place by a process and then those cuts cut and they cut. They cut the fat, they cut the skin, they cut the meat, they cut the bone. They cut and they cut and they cut.

Entitlement caps under this proposal would devastate so many programs: Medicaid, medical assistance to the poor, estimated cut at $175 billion. The President of the American Legion has written to express his profound concern about entitlement caps, as well he should because the projected cuts of the Kirk proposal, $28 military retirement and disability, $22 billion veterans' benefits, TRICARE for life, $6 billion.

We also see student loans once again taking a hit. They also hard freeze other programs, discretionary programs, no inflation. That means again put the automatic slicer in place and the cuts start happening. The cuts

under that proposal alone on discretionary programs would take, as a proportion of the Federal Government discretionary program, spending down to a level not seen since Herbert Hoover was President. Herbert Hoover was a Republican. And he was the last Republican other than the existing President to have a job loss under their administration.

It appears that this is no accident. Herbert Hoover seems to be someone that they aspire to, because this economic plan takes the Federal Government to the days of Herbert Hoover. There is nothing moderate about it. Reject it.

Mr. KIRK. Mr. Chairman, I yield 1 minute to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Chairman, I thank the gentleman from Illinois for yielding time. The facts are simple. When we look at the facts, we see that our spending here in the Federal Government has increased by significantly more from year to year in the last 4 years than has the family budget. If we are spending more from year to year than families are earning from year to year, I think it is obvious that we are taking too much money from the general public. It is important for us to live within our means like they have to do.

This amendment that the gentleman from Illinois has offered will help us do that. It sets caps. It forces us to keep within the budget that we state that we will keep within. It is that simple. It is an enforcement mechanism. It forces us to identify waste. It forces us to eliminate waste. Clearly we have not done that if we look at the chart.

What is also important about this amendment is that it protects Social Security and Medicare, so our seniors will not lose. It is important for us to live within a budget. It is important for us to protect our seniors. I urge support of the Kirk amendment.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, how nice it would be if we could come up with a magic bullet to all of a sudden fix our fiscal crisis, but it is not that easy. It certainly is not going to be fixed by radical proposals like this. I say radical because this would cut spending in domestic discretionary programs, including defense. In fact, defense would be cut by $1.1 trillion, it is estimated, over the next decade. We could go down a long list of programs that would be deeply cut, but really what is at stake here is a fundamental philosophy. The proposal as most of the other proposals, in fact, I think all of the amendments and substitutes tonight, would exempt tax cuts. We exempt tax cuts because we do not want to hurt the most affluent people in this country.

The richer you are, the more benefit you get from tax cuts. But the poorer you are, the more dependent you are upon entitlement programs, Medicare, Medicaid, food stamps, child nutrition, foster care, disability payments, veterans' benefits. Those go to people who need help, to enable us to have a civil society in this country, not a survival of the fittest.

Some people are not born into wealth. Some people have disabilities. Some people suffer all their lives through the accident of birth. Yet what we would do with these proposals to try to balance the budget is to afford the tax cuts by taking the money away from the people who need it the most. We will take it from Medicaid, we will take it from student loans, we will take it from child nutrition, from food stamps. To heck with them. Veterans. They are out there risking their lives for us and most of them are not the children of affluent and middle-class families.

This is a perverse budget amendment as have been the other substitutes. It is a simplistic proposal that ought to be soundly defeated. I urge defeat of this substitute amendment.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time.

My good friend, the gentleman from Illinois, comes to the floor and he acknowledges, he touts this amendment as requiring cuts that equal $445 billion over the next 10 years in entitlement programs, except for Social Security and Medicare, but they come out of Medicaid and Federal civil service retirement and military retirement and family support and TRICARE for life.

The list goes on and on. He acknowledges that these programs will be cut by $445 billion. But he holds up the sign and says, but look, this money can be used to shore up Medicare and Social Security. But I defy you to read this substitute and find in it one line, one word, anything that will say that these savings must go to Social Security or Medicare. More likely than not, they will be used to offset tax cuts, maybe to offset the deficit but unlikely they will go to Social Security and Medicare. So what we have here is an across-the-board entitlement cap proposal that by the author's own acknowledgment will cut key programs by a substantial amount. It does protect some, limiting the cuts to 2 percent. But by limiting the cuts in some to 2 percent, the Center on Budget and Policy Priorities makes it clear that this provision means that other programs, child care payments, farm price supports, crop insurance, TRICARE military benefits, face unlimited cuts that could reach 43 percent by 2014.

Unless you want to vote for this kind of Draconian budget, vote against the Kirk amendment.

Mr. KIRK. Mr. Chairman, I yield myself such time as I may consume. We have an argument here. One side urges spending restraint and the other side urges higher taxes. I lean toward spending restraint and believe that Americans are taxed enough. This Congress was run by the other party in the 1980s and we raised taxes back then. But spending went up even faster than we raised taxes. We remember in the 1980s that for every $1 in taxes raised, the Congress lifted spending by $1.24. Therefore, taxes went up and so did the deficit.

Ask your seniors this question. Should we cut other programs to make sure that we have $445 billion to help protect Social Security? The gentleman asks, what commitment is there by the United States Government to make sure that these savings go to Social Security and Medicare? As I referred to in my opening, we have an unfunded liability in Medicare of $21 trillion, and we have an unfunded liability in Social Security of $10 trillion. There is a sacred bond and a piece of paper from the Treasury Department to the Social Security Administration that says that the American taxpayer will honor these debts.

□ 2300

But with what money? Ask seniors this question: Should we cut entitlement spending to make sure that the money is there for Social Security and Medicare? Should we make sure that their basic retirement security and their basic health care program has the money it needs to cover those sacred promises?

As I said before, we made two sacred promises to the people of the United States: one, that we would provide for the common defense. We made that promise in 1776. And, two, that we would protect at a minimum level their retirement security. But as I said, we are $21 trillion in the hole on Medicare and $10 trillion in the hole on Social Security. To honor those commitments, we have got to restrain spending. We have got to make sure that we have the money available to protect America's seniors, and with that I urge adoption of the substitute.

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

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

I say first to my friend from Illinois, great job. He and the gentleman from Delaware (Mr. CASTLE) have probably done something here tonight that none of the other amendments or substitutes even attempted to do, and that was to bridge the many varied ideas within our conference into one document, one amendment, one substitute.

It is going to have some opposition because it is imperfect. This entire day, one could argue, was an imperfect day. Some may have a different way of putting it, but today was about controlling spending. And as far as I am concerned, any day we can debate how to control spending is a good day. At the end of this day, and we are getting close to the end of the day, it is possible nothing will pass and there will be some people, including myself as I am driving back home, wondering why did we go through this then, if, in fact, absolutely nothing passes?

That is not going to be easy to necessarily understand for everybody that is listening except that we have got to start this discussion. We really do. I mean, there are too many situations out there that are going unchecked. They are going unchecked in the appropriations process. They are going unchecked in the authorization process. They are unchecked in the way we spend money on the discretionary side. They are going unchecked in the way we spend money on the mandatory side. And today was a discussion about how we can finally bring that into a system to put it into some modicum of check and balance.

It is not going to be easy to figure out. We saw a lot of different votes today from Members who oppose some things, they support others. The bottom line is we had to have this discussion. We had to have this debate. We had to have it out here on the floor in the light of day because nothing was working behind the scenes either. But we knew that we had to have this debate in order to begin the discussion about how we are going to control spending.

This is not about tax increases. I know the other side wants to have a tax increase. In fact, we had one of those debates earlier today on an Obey resolution that wanted to increase taxes. That is fine. We defeated that. This is not about an increase in taxes. The motion to recommit is going to be automatic tax increases. The motion to recommit this bill is going to say we ought to have what is called pay-as-you-go, as we described, for taxes or for revenue. All that is going to do is amount to an automatic tax increase that we do not need.

Today is going to be focused on spending, on controlling spending; and that is why we have we will have, as our last vote today, an opportunity on the base bill to vote up or down whether or not we want to have 2 years of caps for discretionary spending and pay-as-you-go for mandatory spending. That is what the vote will be about, and we will have the opportunity to support that or oppose that.

But let me remind us why we are doing it. We are doing it because these are the only two measures of spending control and budget enforcement that have proven to work anytime in the last 20 years, the only two, short of our own personal restraint and ability to vote.

And that is the last thing I would remind Members. Even if this does not pass tonight, even if nothing passes tonight, we are going to go back into the appropriations process. We will go back into the authorization process. And in that process, Members cannot just say let us turn this over to somebody else to do or another process to enforce. They have got to enforce controlling spending with every single vote they cast on this floor throughout the year. This cannot be the only time we discuss this in a process or try to blame someone else. We have got to start doing it on a day-to-day basis in the oversight we do and the votes that we cast on the floor.

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

Mr. NUSSLE. I yield to the gentleman from Illinois.

Mr. KIRK. Mr. Chairman, I do want to commend the gentleman for a very trying and difficult debate. But this was one of the few times in the Congress where we did not have a scripted debate. This was one of the few times where we did not know how the votes would turn out. And the American people have seen that we are now wrestling with a very difficult problem of how to bring spending under control so that we meet the commitments to Social Security, to Medicare, to the Nation's defense that we have already made.

Mr. NUSSLE. Mr. Chairman, reclaiming my time, the good news is it is working. The deficit this year will be reduced by almost $100 billion, we are hearing reports already, over what was predicted just 6 months ago, $100 billion because of the work that we are doing reducing the deficit, which helps keep that economy moving. That is good news. We have got to do more. We have got to continue the debate. This is the first step in controlling spending.

Unfortunately, I do not think we are going to pass much today, but we needed to begin that debate today.

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

The CHAIRMAN pro tempore (Mr. WALDEN of Oregon). The question is on the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. KIRK).

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

Mr. KIRK. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois (Mr. KIRK) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: amendment No. 16 offered by the gentleman from Texas (Mr. HENSARLING), amendment No. 17 offered by the gentleman from Illinois (Mr. KIRK).

The Chair will reduce to 5 minutes the time for the second electronic vote.

AMENDMENT NO. 16 OFFERED BY MR. HENSARLING

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 326, not voting 19, as follows:

[Roll No. 315]

AYES—88

Akin
Ballenger
Barrett (SC)
Bartlett (MD)
Beauprez
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Brady (TX)
Burgess
Cannon
Cantor
Carter
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Deal (GA)
DeMint
Diaz-Balart, M.
Duncan
Dunn
English
Feeney
Flake
Franks (AZ)
Garrett (NJ)
Gibbons
Gingrey
Goode
Green (WI)
Gutknecht
Harris
Hart
Hayworth
Hefley
Hensarling
Herger
Hoekstra
Hostettler
Isakson
Jenkins
Johnson, Sam
Jones (NC)
Kennedy (MN)
King (IA)
Kline
Manzullo
McCrery
McKeon
Miller (FL)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Norwood
Otter
Paul
Pence
Pitts
Putnam
Radanovich
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Stearns
Sullivan
Tancredo
Terry
Thornberry
Toomey
Turner (OH)
Vitter
Wilson (SC)

NOES—326

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baldwin
Bass
Becerra
Bell
Berkley
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Bonilla
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gilchrest
Gillmor
Gonzalez
Goodlatte
Goss
Graves
Green (TX)
Greenwood
Grijalva
Gutierrez
Hall
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind

King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (VA)
Murphy
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Shays
Sherman
Sherwood
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—19

Baker
Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Deutsch
Gephardt
Gordon
Granger
Hastings (FL)
Hastings (WA)
Houghton
Istook
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. WALDEN of Oregon) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 2333

Ms. WOOLSEY, Ms. GINNY BROWN-WAITE of Florida, and Messrs. FORBES, WEINER, and BOEHLERT changed their vote from ''aye'' to ''no.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 2330

AMENDMENT NO. 17 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KIRK

The CHAIRMAN pro tempore (Mr. WALDEN of Oregon). The pending business is the demand for a recorded vote on the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. KIRK) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment in the nature of a substitute.

The Clerk redesignated the amendment in the nature of a substitute.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 120, noes 296, not voting 17, as follows:

[Roll No. 316]

AYES—120

Akin
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bishop (UT)
Blackburn
Blunt
Boehlert
Bonner
Bono
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Cannon
Cantor
Carter
Castle
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Deal (GA)
DeLay
DeMint
Diaz-Balart, M.
Duncan
Dunn
Ehlers
English
Feeney
Flake
Forbes
Fossella
Franks (AZ)
Garrett (NJ)
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hefley
Hensarling
Herger
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Isakson
Issa
Jenkins
Johnson (CT)
Johnson, Sam
Kennedy (MN)
King (IA)
Kirk
Kline
Linder
Manzullo
McCrery
McInnis
McKeon
Miller (FL)
Miller, Gary
Murphy
Musgrave
Myrick
Neugebauer
Norwood
Nunes
Otter
Paul
Pence
Pitts
Portman
Pryce (OH)
Putnam
Radanovich
Rehberg
Reynolds
Rogers (MI)
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Smith (MI)
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Weller
Wilson (SC)

NOES—296

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Boehner
Bonilla
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown, Corrine
Burns
Burr
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Edwards
Emanuel
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gonzalez
Goss
Graves
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (IL)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (KS)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pombo
Pomeroy
Porter
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Regula
Renzi
Reyes
Rodriguez
Rogers (AL)
Rogers (KY)
Ros-Lehtinen
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—17

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Deutsch
Gephardt
Gordon
Granger
Hastings (FL)
Hastings (WA)
Houghton
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 2340

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The Chair is advised that amendment No. 19 is not to be offered.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. WALDEN of Oregon, Chairman pro tempore 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. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, pursuant to House Resolution 692, 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.

MOTION TO RECOMMIT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlemen opposed to the bill?

Mr. STENHOLM. I am, Mr. Speaker, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Stenholm moves to recommit the bill H.R. 4663 to the Committee on the Budget with instructions to report the same back to the House forthwith with the following amendments:

Amend section 6 to read as follows:

**SEC. 6. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended ''2002'' both places it appears and inserting ''2009''.

Strike section 9 and redesignate the succeeding sections accordingly.

□ 2340

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Speaker, my motion will make one simple change to the base bill. It will reinstate the original pay-as-you-go rules for all legislation which would increase the deficit. The motion would leave in place the discretionary spending limits and other provisions of the base bill.

The original pay-as-you-go legislation was part of the bipartisan 1990 budget agreement between President George Bush and the Democratic Congress. Pay-as-you-go rules applying to changes in revenues in the mandatory spending were extended in the 1993 Budget Reconciliation Act, the 1995 budget resolution, and the bipartisan balanced budget agreement in 1997.

The pay-as-you-go rules enacted in 1990 have been tested and they worked. They were instrumental in going from large deficits in the early 1980s and early 1990s to budget surpluses in the late 1990s.

The Concord Coalition, Federal Reserve Chairman Alan Greenspan, the Committee for a Responsible Federal Budget, the AARP and a bipartisan majority in the other body and a bipartisan majority in this body, for more than 20 minutes, when the gentleman from California (Mr. THOMPSON) offered this the first time, have all expressed support for reinstating balanced and effective PAYGO rules that applies to all legislation that would increase the deficit.

These rules are based on a simple concept that all families understand, and we have heard so much of this today. If we want to reduce our revenues or increase spending, we need to say how we would pay for these changes.

If we are truly serious about restoring fiscal discipline, budget enforcement rules must apply to all legislation which would increase the deficit through increased spending or reductions in revenues.

All parts of the budget must be on the table. It is irresponsible and politically unrealistic to propose budget rules that apply to one part of the budget but not others.

It is irresponsible and politically unrealistic to propose budget rules that apply to one part of the budget but not to others. Both sides need to be willing to apply budget discipline to their own priorities, not just the other side's priorities.

Applying pay-as-you-go rules to tax cuts do not prevent Congress from passing more tax cuts or increasing spending. All it says is that if we are going to reduce our revenues we need to reduce our spending by the same amount, and if we want to increase spending, we need to make room in the budget for the increased spending by cutting other spending or raising revenues.

Enacting meaningful budget enforcement legislation will require bipartisan support. This recommittal will bring bipartisan support.

I conclude by saying again, and listen carefully, applying pay-as-you-go rules to tax cuts do not prevent Congress from passing more tax cuts. All it says is that if we are going to reduce our revenues we need to reduce our spending by the same amount.

If my friends on the other side of the aisle actually mean what they have said over and over about controlling spending, if all of those that have just offered the last two substitutes really mean what they say about controlling spending, they should have no problem with applying pay-as-you-go to tax cuts because it would force Congress to actually control spending when we pass tax cuts instead of just promising to do so in the future.

In fact, requiring Congress to offset tax cuts could be a tool to force Congress to control spending. The problem is that we have not matched our actions with our rhetoric. We propose cutting taxes without cutting spending. We run up the deficits and we pass the difference on to our children and grandchildren.

This motion to recommit, very simple, will accomplish that which we have talked about all day.

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

The SPEAKER pro tempore. For what purpose does the gentleman from Iowa (Mr. NUSSLE) seek recognition?

Mr. NUSSLE. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Iowa is recognized for 5 minutes in opposition.

Mr. NUSSLE. Mr. Speaker, the gentleman from Texas is correct. We have been debating this all day, and he is exactly right, but you just do not get it because you equate taxes with spending. You equate when the government does not take in taxes, somehow that is spending, and the reason you do that is because you believe that decisions should start here in Washington rather than at the small businesses and the farms and the kitchen tables of America. Those are the people who pay taxes.

We are not going to raise taxes. We have decided that. Seven times this year we have had this vote, and so we want to get to that vote, but let me just remind us of a couple of things.

Today was a good debate because any day you discuss controlling spending is a good day. Any day you discuss that is a good day. What is not quite good about today is that we are probably not going to pass anything, and that is because they do not want to control spending. I know that was tough, but before we start pointing fingers at each other, all I was going to say is that we are all in this together.

We can blame processes, we can blame appropriators, we can blame Democrats and we can blame Republicans. We can blame Presidents. Oh, sure, we can blame the other body. We can blame all sorts of things for what we do every day when we cast our votes in committee or on the floor to have spending continue out of control, and we can devise all sorts of very interesting processes to try and rein us in and to convince our constituents that if all we did was to pass a new law or pass a new process, somehow all of it would be fixed. This is about us. This is not about one particular committee or another.

Now, I understand why the appropriators today, with all due respect, came to the floor just a little bit paranoid about this process. Even paranoids have enemies. I understand, but rightfully so, they are concerned that we have spent way too much time only looking at discretionary spending, and that is why in final analysis what this

bill does is it manages the mandatory spending process with a pay-as-you-go requirement, and it manages the discretionary process by setting caps for only 2 years at the budget that we have all voted for.

We have a budget. We should stick to that budget. If we stick to that budget, we will control spending, and as a result already, if we stick to that budget, we are going to protect the country, make sure that our homeland is secure, make sure we can win the global war on terrorism, make sure our economy can continue to grow like it has for the last 6 months, which has been the fastest in over 20 years, and continue to create jobs.

The payoff is even better than that. If we stick to this plan, we will already see, I predict within this next month a reduction in the prediction for the deficit for this year alone by $100 billion. That my friends is controlling spending, and that is a good day's work, even if this does not quite make it to the finish line.

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

□ 2350

The SPEAKER pro tempore (Mr. SHIMKUS). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H.R. 4663 and agreeing to House Resolution 691.

The vote was taken by electronic device, and there were—ayes 196, noes 218, not voting 19, as follows:

[Roll No. 317]

AYES—196

Abercrombie
Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Green (TX)
Grijalva
Gutierrez
Harman
Herseth
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—218

Aderholt
Akin
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—19

Ballenger
Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Deutsch
Gephardt
Gordon
Granger
Hastings (FL)
Hastings (WA)
Houghton
Jones (OH)
McDermott
Mollohan
Rothman
Smith (MI)
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS) (during the vote). Two minutes remain in this vote.

□ 0009

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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.

RECORDED VOTE

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

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 146, noes 268, not voting 19, as follows:

[Roll No. 318]

AYES—146

Akin
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Cole
Cox
Crane
Cubin
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Dunn
Ehlers
Feeney
Flake
Foley
Forbes
Fossella
Franks (AZ)
Gallegly
Garrett (NJ)
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Graves
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hefley
Hensarling
Herger
Hoekstra
Hostettler
Hulshof
Isakson
Issa
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
Kirk
Kline
Linder
Lucas (OK)
Manzullo
McCotter
McCrery
McInnis
Miller (FL)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Norwood
Nunes
Nussle
Ose
Otter
Oxley
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Pombo
Portman

Pryce (OH)
Putnam
Radanovich
Ramstad
Rehberg
Reynolds
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Stearns
Sullivan
Tancredo
Terry
Thomas
Thornberry
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Weldon (PA)
Wilson (SC)
Young (AK)

NOES—268

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Bonilla
Bonner
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Calvert
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Chandler
Clay
Clyburn
Coble
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Gerlach
Gonzalez
Goss
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Hunter
Hyde
Inslee
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Northup
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pomeroy
Porter
Price (NC)
Quinn
Rahall
Rangel
Regula
Renzi
Reyes
Rodriguez
Rogers (AL)
Rogers (KY)
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOT VOTING—19

Ballenger
Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Deutsch
Gephardt
Gordon
Granger
Hastings (FL)
Hastings (WA)
Houghton
Jones (OH)
McDermott
Mollohan
Rothman
Smith (MI)
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS) (during the vote). Members are advised there are 2 minutes left in this vote.

□ 0016

So the bill was not passed.

The result of the vote was announced as above recorded.

## CONGRATULATING THE INTERIM GOVERNMENT OF IRAQ ON ITS FORTHCOMING ASSUMPTION OF SOVEREIGN AUTHORITY IN IRAQ

The SPEAKER pro tempore. The pending business is the question of agreeing to the resolution, House Resolution 691, on which further proceedings were postponed earlier today.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 352, nays 57, not voting 24, as follows:

[Roll No. 319]

YEAS—352

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Becerra
Bell
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clyburn
Coble
Cole
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeLauro
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Etheridge
Evans
Everett
Fattah
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Goss
Graves
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hayes
Hayworth
Hensarling
Herger
Herseth
Hill
Hinojosa
Hoeffel
Hoekstra
Holden
Hooley (OR)
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Marshall
Matheson
Matsui
McCarthy (NY)
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Napolitano
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Oxley
Pascrell
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roybal-Allard
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Scott (GA)
Sensenbrenner
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Watson
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—57

Baldwin
Blumenauer
Brown (OH)
Clay
Conyers
Cummings
DeGette
Delahunt
Eshoo
Farr
Filner
Frank (MA)
Grijalva
Gutierrez
Hinchey
Holt
Honda
Jackson (IL)
Kaptur
Kilpatrick
Kleczka
Kucinich
Larson (CT)
Lee
Lewis (GA)
Lofgren
Maloney
Markey
McCarthy (MO)
McCollum
McGovern
Meehan
Miller, George
Nadler
Neal (MA)
Oberstar
Olver
Owens
Pallone
Pastor
Paul
Payne
Rangel
Rush
Sabo
Schakowsky
Scott (VA)
Serrano
Solis
Stark
Tierney
Towns
Velázquez
Waters
Watt
Wexler
Woolsey

NOT VOTING—24

| | | |
|---|---|---|
| Ballenger | Gordon | McDermott |
| Barton (TX) | Granger | Mollohan |
| Bereuter | Hastings (FL) | Murtha |
| Berman | Hastings (WA) | Rothman |
| Carson (IN) | Hefley | Schrock |
| Collins | Hobson | Sessions |
| Deutsch | Houghton | Smith (MI) |
| Gephardt | Jones (OH) | Tauzin |

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

□ 0023

Mr. WEXLER and Mr. DELAHUNT changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4614, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2005

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–569) on the resolution (H. Res. 694) providing for consideration of the bill (H.R. 4614) making appropriations for energy and water development for the fiscal year ending September 30, 2005, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## GENERAL LEAVE

Mr. SESSIONS. 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. 4663.

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

There was no objection.

## APPOINTMENT AS MEMBER OF ELECTION ASSISTANCE COMMISSION BOARD OF ADVISORS

The SPEAKER pro tempore. Pursuant to Section 214(a) of the Help America Vote Act of 2002 (42 USC 15344), and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following member on the part of the House to the Election Assistance Commission Board of Advisors for a term of two years:

Mr. J.C. Watts, Jr., Norman, Oklahoma.

## PATRIOTIC EMPLOYERS OF GUARD AND RESERVISTS ACT OF 2004

(Mr. McGOVERN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include therein extraneous material.)

Mr. McGOVERN. Mr. Speaker, currently over 170,000 National Guard and Reservists are on active duty serving in Afghanistan, Iraq, and elsewhere. President Bush just activated an additional 47,000 Reservists. Most are serving extended tours of duty, deployed for longer periods than their families or their employers expected. Seventy percent of these Guard and Reservists work in small or medium-size businesses. When called to active duty, their civilian job and salary is put on hold.

They begin receiving military pay, which is often less than their civilian salary, placing undue hardship on families already suffering the absence of a loved one.

Yesterday, I introduced H.R. 4655, the Patriotic Employers of Guard and Reservists Act. The bill provides tax relief to those employers who close the pay gap of Guardsmen and Reservists serving overseas and tax credits to defray the cost of training new workers to fill these temporary vacancies.

H.R. 4655 helps our troops and their families and encourages more companies to keep their employees on payroll when serving our Nation. I urge my colleagues to support H.R. 4655. And I urge that it move rapidly through this House.

BASIC FACTS AND BACKGROUND INFORMATION ON H.R. 4655, THE PATRIOTIC EMPLOYERS OF GUARD AND RESERVISTS ACT OF 2004

Since September 11th, more than 350,000 members of the National Guard and Reserves have been called to active duty, and the Pentagon increasingly relies on the Army, Navy and Air Force Reserves and our National Guard to achieve its missions. Currently, over 170,000 are serving on active duty in Iraq, Afghanistan and elsewhere. President Bush recently activated an additional 47,000 Reservists. Not since World War II have so many National Guard members been called to serve abroad.

The U.S. Chamber Of Commerce estimates that 70 percent of military Reservists called to active duty work in small- or medium-size companies.

Most Guard and Reservists are serving extended tours of duty and have been deployed for longer periods than they, their families, or their employers expected. The continuing, extended activation of Guard and Reserve members has imposed a tremendous burden on many companies, small businesses and manufacturers, as well as placing an undue financial burden on families already suffering the absence of a loved one. Currently, more than 41 percent of military Reservists and National Guard members face a pay cut when they are called to active duty.

In January, the Commander of the Army Reserve, Lt. General James R. Helmly, warned of a recruiting-retention crisis in the future for the National Guard and Reserves. A recent U.S. military questionnaire of returning Army National Guard soldiers projected a resignation rate of double what it was in November 2001. From October to December 2003, almost one-quarter of National Guard members who have had the opportunity to re-enlist have opted not to do so. Recently, the U.S. Army developed a plan to pay Reservists up to $10,000 to re-enlist in order to stop a developing problem.

H.R. 4655 encourages all employers, especially small businesses, to pay their reservist employees when they face a reduction in salary due to their military activation. Employers who continue to pay their reservist all or part of their civilian salary will be eligible to receive a tax credit up to $15,000 of the wages they pay per employee who has been called up to active duty by the National Guard or Reserves for as long as the Reservist is on active duty status (up to a maximum of two years).

Additionally, many small employers currently have a difficult time hiring and training temporary workers to fill the temporary vacancies caused by employees called to active duty. H.R. 4655 provides a tax credit of 50 percent up to $6,000 to help companies defray the costs of hiring and training a replacement worker, and up to $10,000 for small manufacturers.

The Joint Committee on Taxation estimates this measure would cost $2 billion through FY 2014, or approximately $200 million annually; $1.2 billion of those costs would occur in FY 2005 through FY 2009, given the current unusually large-scale and extended deployments of National Guard and Reserve forces.

The proposal to provide tax credits to employers and close the pay-gap for Reservists and National Guardsmen is supported by the United States Conference of Mayors, the National Guard Association of the United States, and the Reserve Officers Association of the United States.

COSPONSOR H.R. 4655, THE PATRIOTIC EMPLOYERS OF GUARD AND RESERVISTS ACT

DEAR COLLEAGUE. When a national Guardsman or Reservist is called up to active duty, their civilian job—and salary— is put on hold, and they begin receiving military pay, which is often much less than their civilian salary. This places undue hardship on many families who are already suffering the absence of a loved one. The military increasingly relies on our Reserves and National Guard forces to achieve its missions. Currently, over 170,000 National Guard and Reservists are on active duty, with many serving in Iraq, Afghanistan or elsewhere on the front lines of the war against terror. Furthermore, most are serving extended tours of duty, deployed for longer periods than they, their families, or their employers expected.

We invite you to join us as cosponsors to H.R. 4655, the Patriotic Employers of Guard and Reservists Act of 2004. This bill provides tax credits to those employers who continue to pay the salary of National Guardsmen and Reservists serving overseas and tax credits to help these employers defray the costs of hiring and training new workers to fill these temporary vacancies. H.R. 4655 will do a lot to help our troops' families and encourage more companies to keep their employees on salary while serving our nation.

Specifically, H.R. 4655 will:

Provide a 50% tax credit to employers continuing to pay activated Guard and Reserve employees, with a cap of $30,000 (i.e. $15,000 credit) per employee;

Cover salaries paid on days when the employee is activated for up to 2 years to cover the entirety of the deployment; and

Provide a 50% tax credit to employers up to $12,000 in costs (i.e. $6,000 tax credit) to help companies, especially small businesses and manufacturers, hire and train temporary workers to fill-in for activated employees.

We all know the continuing activation of our Guard and Reservists has imposed a tremendous burden on many of our country's companies, small businesses, and manufacturers. The U.S. Chamber of Congress estimates that 70 percent of military reservists called to active duty work in small- or medium-sized businesses. The proposal to provide tax credits to employers and close the

pay-gap for Reservists and National Guard is supported by the U.S. Conference of Mayors, the National Guard Association of the United States (NGAUS), and the Reserve Officers Association of the United States.

Please join us in helping businesses weather the loss of an employee to active duty and protecting employees and their families from suffering financial hardship when serving our nation in uniform. to cosponsor H.R. 4655, please feel free to contact us or Cindy Buhl at 5–6101 (cindy.buhl@mail.house.gov).

Sincerely,

JAMES P. MCGOVERN,
*Member of Congress.*

TOM LANTOS,
*Member of Congress.*

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8772. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Contracting for Architect-Engineer Services [DFARS Case 2003-D105] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

8773. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Fish, Shellfish, and Seafood Products [DFARS Case 2002-D034] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

8774. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Follow-On Production Contracts for Products Developed Pursuant to Prototype Projects [DFARS Case 2002-D023] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

8775. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Production Surveillance and Reporting [DFARS Case 2002-D015] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

8776. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket No. FEMA-D-7557] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8777. A letter from the Acting General Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket No. FEMA-B-7446] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8778. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations — received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8779. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Suspension of Community Eligibility [Docket No. FEMA-7833] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8780. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations — received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8781. A letter from the Assistant Secretary for Special Education and Rehabilitative Services, Department of Education, transmitting the Department's final rule — National Institute on Disability and Rehabilitation Research (RIN: 1820-ZA34) received June 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8782. A letter from the Assistant Secretary for Special Education and Rehabilitative Services, Department of Education, transmitting the Department's final rule — National Institute on Disability and Rehabilitation Research (RIN: 1820-ZA37) received June 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8783. A letter from the Assistant Secretary for Special Education and Rehabilitative Services, Department of Education, transmitting the Department's final rule — National Institute on Disability and Rehabilitation Research (RIN: 1820-ZA26) received May 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8784. A letter from the Deputy Under Secretary, Department of Education, transmitting the Department's final rule — Safe Schools/Healthy Students (RIN: 1865-ZA02) received June 3, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8785. A letter from the Director, OSHA Standards and Guidance, Department of Labor, transmitting the Department's final rule — Mechanical Power Transmission Apparatus; Mechanical Power Presses; Telecommunications; Hyrdrogen — received June 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8786. A letter from the Assistant Secretary for Employee Benefits Security Administration, Department of Labor, transmitting the Department's final rule — Health Care Continuation Coverage (RIN: 1210-AA60) Recieved May 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8787. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule — Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits — received June 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8788. A letter from the DIrector, Regulations Policy and Management Sta., FDA, Department of Health and Human Services, transmitting the Department's final rule — Requirements for Liquid Medicated Animal Feed and Free-Choice Medicated Animal Feed [Docket No. 1993P-0174] received June 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8789. A letter from the Director, Regulations Policy and Management Sta., FDA, Department of Health and Human Services, transmitting the Department's final rule — Medical Device Reports; Reports of Corrections and Removals; Establishment Registration and Device Listing; Premarket Approval Supplements; Quality System Regulation; Importation of Electronic Products; Technical Amendment; Correction — received May 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8790. A letter from the Chief, Policy and Rules Division, Federal Communications Commission, transmitting the Commission's final rule — Review of Part 15 and other Parts of the Commission's Rules [ET Docket No. 01-278; RM-9375; RM-10051] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8791. A letter from the Legal Advisor, Office of the Bureau Chief, WTB, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Part 97 of the Rules Governing the Amateur Radio Services [Dkt No.04-140, RM-10313, R M-10352, RM-10353, RM-10354, RM-10355, RM-10412, RM-10413, RM-10492, RM-10521, RM-10582, RM-10620, RM-10621] Amendment of Section 97.111 of the Amateur Radio Service Rules to Limit Transmissions of Information Bulletins; Conforming Amendments to Part 97 of the Commission's Rules to Implement the Worlds Radio Conference 1997 Final Acts; Amendment of Part 97 to Provide Color-coded License Documents; Amendment of Part 97 to Allow Instant Temporary Licensing; Amendment of the Amateur Service Rules to Limit to the Committee on Energy and Commerce.

8792. A letter from the Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Chase City, Virginia, and Creedmoor, Ahoskie, Gatesville, and Nashville, North Carolina) [MB Docket No. 03-232; RM-10819] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8793. A letter from the Legal Advisor, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b) FM Table of Allotments, FM Broadcast Stations. (Glasgow and Bowling Green, Kentucky) [MB Docket No. 04-42; RM-10850] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8794. A letter from the 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. (Anniston, Alabama) [MB Docket No. 03-229; RM-10795] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8795. A letter from the Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Arlington, The Dalles, Moro, Fossil, Astoria, Gladstone, Portland, Tillamook, Coos Bay, Springfield-Eugene, Manzanita and Hermiston, Oregon, and Covington, Trout Lake, Shoreline, Bellingham, Forks, Hoquiam, Aberdeen, Walla Walla, Kent, College Place, Long Beach and Ilwaco, Washington) [MB Docket No. 02-136; RM-10458; RM-10663, RM-10667, RM-10668] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8796. A letter from the Attorney Advisor, Federal Communications Commission, transmitting the Commission's final rule — Amendment of the Commission's Rules Regarding Dedicated Short-Range Communication Services in the 5.850-5.925 GHz Band (5.9

GHz Band) [WT Docket No. 01-90] Amendment of Parts 2 and 90 of the Commission's Rules to Allocate the 5.850-5.925 GHz Band to the Mobile Service for Dedicated Short Range Communications of Intelligent Transportation Services [ET Docket No. 98-95; RM-9096] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8797. A letter from the Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Arthur and Hazelton, North Dakota) [MB Docket No. 03-208; RM-10793] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8798. A letter from the 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. (Roswell, New Mexico) [MB Docket No. 04-16; RM-10840] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8799. A letter from the Senior Legal Advisor, International Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of the Commission's Space Station Licensing Rules and Policies [IB Docket No. 02-34] Mitigation of Orbital Debris [IB Docket No. 02-54] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8800. A letter from the Legal Advisor, International Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of the Commission's Space Station Licensing Rules and Regulations [IB Docket No. 02-34] 2000 Biennial Regulatory Review — Streamlining and Other Revisions of Part 25 of the Commission's Rules Governing the Licensing of, and Spectrum Usage by, Satellite Network Earth Stations and Space Stations [IB Docket No. 00-248] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8801. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule — Voluntary Fire Protection Requirements for Light Water Reactors; Adoption of NFPA 805 as a Risk-Informed, Performance-Based Alternative (RIN: 3150-AG48) received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

8802. A letter from the General Counsel, Federal Retirement Thrift Investment Board, transmitting the Board's final rule — Methods of Withdrawing Funds From the Thrift Savings Plan; Court Orders and Legal Processes Affecting Thrift Savings Plan Accounts; Loan Program; Thrift Savings Plan— received June 2, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8803. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Prevailing Rate Systems; Change in Federal Wage System Survey Job (RIN: 3206-AJ79) received May 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8804. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Pay Administration (General) (RIN: 3206-AK47) received May 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8805. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Physicians' Comparability Allowances (RIN: 3206-AJ96) received May 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8806. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Federal Employees Health Benefits Program: Modification of Two-Option Limitation for Health Benefits Plans and Continuation of Coverage for Annuitants Whose Plan Terminates an Option (RIN: 3206-AK48) received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8807. A letter from the Attorney Advisor, Federal Communications Commission, transmitting the Commission's final rule — Amendments to Parts 1, 2, 27, and 90 of the Commission's Rules to License Services in the 216-220 MHz, 1390-1395 MHz, 1427-1429 MHz, 1429-1432 MHz, 1432-1435 MHz, 1670-1675 MHz, and 2385-2390 MHz Government Transfer Bands [WT Docket No. 02-8; RM-9267, RM-9692, RM-9797, RM-9854, RM-9882] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8808. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries Off West Coast States and in the Western Pacific; West Coast Salmon Fisheries; Inseason Action #1 — Adjustments of the Commercial Fishery from the U.S. — Canada Border to Cape Falcon, Oregon [Docket No. 040429134-4135-01; I.D. 051704B] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8809. 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 Zone Off Alaska; ''Other Flatfish'' in the Bering Sea and Aleutian Islands [Docket No. 031124287-4060-02; I.D. 060104A] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8810. 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; Yellowfish Sole in the Bering Sea and Aleutian Islands [Docket No. 031124287-4060-02; I.D. 060304C] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8811. A letter from the Acting DIrector, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Northeastern United States; Atlantic Mackerel, Squid, and Butterfish Fisheries; Closure of the Quarter II Fishery for Loligo Squid [Docket No.031104274-4011-02; I.D. 060804G] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8812. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Groundfish Observer Program [Docket 980702167-4150-03; I.D. 031901A] (RIN: 0648-AK26] received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8813. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Magnuson-Stevens Fishery Conservation and Management Act Provisions; Fisheries of the Northeastern United States; Northeast (NE) Multispecies Fishery; Amendment 13 Regulatory Amendment [Docket No. 040112010-4167-03; I.D.122203A] (RIN: 0648-AN17) received June 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8814. A letter from the Deputy Assistant Administrator for Operations, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Endangered and Threatened Wildlife; Sea Turtle Conservation Requirements [Docket No. 040412113-4152-01; I.D. 040104C] (RIN: 0648-AS02) received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8815. A letter from the Acting Under Secretary and Acting Director, U.S. Patent and Trademark Office, Department of Commerce, transmitting the Department's final rule — Changes to Representation of Others Before The United States Patent and Trademark Office [Docket No. 2002-C-005] (RIN: 0651-AB55) received June 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

8816. A letter from the Acting Under Secretary and Acting Director, U.S. Patent and Trademark Office, Department of Commerce, transmitting the Department's final rule — Revision of Power of Attorney and Assignment Practice [Docket No.: 2003-P-019] (RIN: 0651-AB63) received May 26, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

8817. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule — Procedures for Designating Classes of Employees as Members of the Special Exposure Cohort under the Energy Employees Occupations Illness Compensation Program Act of 2000; Final Rule (RIN: 0920-AA07) received May 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

8818. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Representations and Certifications—Other Than Commercial Items (RIN: 2700-AC97) received April 1, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

8819. A letter from the Acting Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Compensation for labor or personal services (Rev. Proc. 2004-37) received June 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8820. A letter from the Acting Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Compensation for Injuries or Sickness (Also Amounts received Under Accident and Health Plans) (Rev. Rul. 2004-55) received June 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8821. A letter from the Acting Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Weighted Average Interest Rates Update [Notice 2004-42] received June 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OXLEY: Committee on Financial Services. H.R. 3916. A bill to improve circulation

of the $1 coin, create a new bullion coin, and for other purposes; with an amendment (Rept. 108–568). Referred to the Committee of the Whole House on the State of the Union.

*[Filed on June 25 (legislative day, June 24), 2004]*

Mr. SESSIONS: Committee on Rules. House Resolution 694. Resolution providing for consideration of the bill (H.R. 4614) making appropriations for energy and water development for the fiscal year ending September 30, 2005, and for other purposes (Rept. 108–569). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. JONES of North Carolina:

H.R. 4677. A bill to name the lake known as Falls Lake in North Carolina after United States Senator Jesse Helms; to the Committee on Transportation and Infrastructure.

By Mr. DAVIS of Florida:

H.R. 4678. A bill to bar certain additional restrictions on travel and remittances to Cuba; to the Committee on International Relations.

By Mr. FRANK of Massachusetts (for himself, Mr. KANJORSKI, Ms. WATERS, Mr. SANDERS, Mrs. MALONEY, Mr. GUTIERREZ, Ms. VELAZQUEZ, Mr. WATT, Ms. CARSON of Indiana, Ms. LEE, Mr. CAPUANO, Mr. CROWLEY, Mr. CLAY, Mr. ISRAEL, Mrs. MCCARTHY of New York, Mr. BACA, Mr. LYNCH, Mr. EMANUEL, Mr. SCOTT of Georgia, and Mr. DAVIS of Alabama):

H.R. 4679. A bill to authorize the Secretary of Housing and Urban Development to provide assistance for privately owned low- and moderate-income housing with expiring Federal subsidies to prevent displacement of low- and moderate-income tenants, and for other purposes; to the Committee on Financial Services.

By Mr. HAYWORTH:

H.R. 4680. A bill to amend the National Labor Relations Act to ensure that Indian tribes and any organizations owned, controlled, or operated by Indian tribes are not considered employers for purposes of such Act; to the Committee on Education and the Workforce.

By Mr. CARDIN (for himself, Mr. PALLONE, and Mr. MCNULTY):

H.R. 4681. A bill to require the Secretary of Health and Human Services to establish and maintain an Internet website that is designed to allow consumers to compare the usual and customary prices for covered outpatient drugs sold by retail pharmacies that participate in the Medicaid Program for each postal Zip Code, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CASTLE (for himself, Ms. DEGETTE, Mr. DOOLEY of California, Mr. BASS, Mrs. BIGGERT, Mr. GIBBONS, Mr. GILCHREST, Mr. GREENWOOD, Mr. HOUGHTON, Mrs. JOHNSON of Connecticut, Mr. KIRK, Mr. KOLBE, Mr. LEACH, Mr. RAMSTAD, Mr. SHAYS, Ms. BALDWIN, Mr. BROWN of Ohio, Mr. EVANS, Mr. LANGEVIN, Mrs. MALONEY, Mr. WAXMAN, Mr. STARK, Mr. MOORE, Mrs. CAPPS, Mr. HOYER, and Ms. SOLIS):

H.R. 4682. A bill to amend the Public Health Service Act to provide for human embryonic stem cell research; to the Committee on Energy and Commerce.

By Mr. CLYBURN (for himself, Mr. BROWN of South Carolina, and Mrs. CHRISTENSEN):

H.R. 4683. A bill to enhance the preservation and interpretation of the Gullah/Geechee cultural heritage, and for other purposes; to the Committee on Resources.

By Mr. ENGLISH:

H.R. 4684. A bill to extend the Temporary Extended Unemployment Compensation Act of 2002, and for other purposes; to the Committee on Ways and Means.

By Mr. KIND (for himself, Mr. PICKERING, Mr. THOMPSON of California, Mr. WELDON of Pennsylvania, Mr. BERRY, Mr. BOSWELL, Mr. BOEHLERT, and Mr. PETERSON of Minnesota):

H.R. 4685. A bill to direct the Secretary of the Interior to conduct a pilot program under which up to 15 States may issue electronic Federal migratory bird hunting stamps; to the Committee on Resources.

By Mr. KIND (for himself and Ms. MCCOLLUM):

H.R. 4686. A bill to revitalize the Mississippi River; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Resources, 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. KIND (for himself and Mr. OSBORNE):

H.R. 4687. A bill to amend part C of title XVIII of the Social Security Act to require Medicare Advantage (MA) organizations to pay for critical access hospital services and rural health clinic services at a rate that is at least 101 percent of the payment rate otherwise applicable under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILCHREST (for himself, Mr. SCOTT of Virginia, Mr. SCHROCK, Mr. CARDIN, Mrs. CAPITO, Mr. RUPPERSBERGER, Mr. VAN HOLLEN, Mr. CASTLE, Mr. WELDON of Pennsylvania, Mr. BOEHLERT, Mr. PLATTS, Mr. ENGLISH, Mr. CUMMINGS, Mr. WYNN, Mr. MURTHA, Mr. HOYER, and Mr. BARTLETT of Maryland):

H.R. 4688. A bill to amend the Federal Water Pollution Control Act to reauthorize the Chesapeake Bay Program; to the Committee on Transportation and Infrastructure.

By Mr. GREEN of Texas (for himself, Mr. HINCHEY, Mr. RANGEL, Mr. FROST, Mr. GUTIERREZ, and Mr. ENGEL):

H.R. 4689. A bill to amend title XVIII of the Social Security Act to provide Medicare beneficiaries with access to geriatric assessments and chronic care management, and for other purposes; 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 Mr. HASTINGS of Washington:

H.R. 4690. A bill to transfer certain lands along the Cle Elum River in the State of Washington to the administrative jurisdiction of the Secretary of the Interior, to support a land exchange involving a portion of such lands, and for other purposes; to the Committee on Resources.

By Mr. HEFLEY (for himself, Mr. BEAUPREZ, and Mr. TANCREDO):

H.R. 4691. A bill to authorize the Secretary of the Interior to engage in a feasibility study relating to long-term water needs for the area served by the Fryingpan-Arkansas Project, Colorado, and for other purposes; to the Committee on Resources.

By Mr. INSLEE (for himself, Mrs. WILSON of New Mexico, Mr. SMITH of Washington, Mr. DICKS, Mr. LARSEN of Washington, Mr. MCDERMOTT, Mr. UDALL of New Mexico, Mr. PEARCE, and Mr. BAIRD):

H.R. 4692. A bill to amend title XXI of the Social Security Act to permit qualifying States to use a portion of their allotments under the State children's health insurance program for any fiscal year for certain Medicaid expenditures, and for other purposes; to the Committee on Energy and Commerce.

By Ms. KAPTUR:

H.R. 4693. A bill to require persons who seek to retain seed harvested from the planting of patented seeds to register with the Secretary of Agriculture and pay fees set by the Secretary for retaining such seed, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Rhode Island (for himself and Ms. ROS-LEHTINEN):

H.R. 4694. A bill to amend the Older Americans Act of 1965 to provide for mental health screening and treatment services, to amend the Public Health Service Act to provide for integration of mental health services and mental health treatment outreach teams, and for other purposes; to the Committee on Education and the Workforce, 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. LARSEN of Washington:

H.R. 4695. A bill to amend the Small Business Act to extend the redesignation period for certain Historically Underutilized Business Zones (HUBZones) in States with persistently high unemployment; to the Committee on Small Business.

By Mr. MCHUGH:

H.R. 4696. A bill to promote the use of anaerobic digesters by agricultural producers and rural small businesses to produce renewable energy and improve environmental quality; to the Committee on Agriculture.

By Mr. MCHUGH:

H.R. 4697. A bill to amend the Internal Revenue Code of 1986 to provide for a permanent extension of the credit for producing electricity from wind; to the Committee on Ways and Means.

By Mr. MCHUGH:

H.R. 4698. A bill to establish a grant program to support cluster-based economic development efforts; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCHUGH:

H.R. 4699. A bill to establish a grant program to support broadband-based economic development efforts; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCINNIS:

H.R. 4700. A bill to provide special authority to the Secretary of Agriculture to convey certain Forest Service administrative sites in the White River National Forest in Colorado, to reserve the proceeds from such conveyances to help resolve the facilities needs of that national forest, and for other purposes; to the Committee on Resources.

By Mr. NADLER (for himself, Mr. FRANK of Massachusetts, Ms. BALDWIN, Mr. KENNEDY of Rhode Island, and Mr. GRIJALVA):

H.R. 4701. A bill to provide for entitlement to dependents' and survivors' benefits under the old-age, survivors, and disability insurance program under title II of the Social Security Act based on permanent partnership as well as marriage; to the Committee on Ways and Means.

By Mr. NEUGEBAUER:

H.R. 4702. A bill to require farmers to be offered supplemental crop insurance based on an area yield and loss plan of insurance; to the Committee on Agriculture.

By Mr. OSBORNE (for himself, Mr. HOEKSTRA, and Mr. FORD):

H.R. 4703. A bill to establish a Federal Youth Development Council to improve the administration and coordination of Federal programs serving youth, and for other purposes; to the Committee on Education and the Workforce.

By Mr. OSE (for himself, Mr. DOOLITTLE, Mr. CARSON of Oklahoma, and Mr. DOOLEY of California):

H.R. 4704. A bill to amend the Internal Revenue Code of 1986 to establish tax credits for climate neutral combustion technologies; to the Committee on Ways and Means.

By Mr. POMEROY:

H.R. 4705. A bill to provide crop and livestock disaster assistance; to the Committee on Agriculture.

By Mr. RAHALL (for himself, Mr. FARR, Mr. JACKSON of Illinois, Ms. LEE, Ms. MCCOLLUM, Mrs. CAPPS, Mr. GEORGE MILLER of California, Mr. WEXLER, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. CASE, Mr. MORAN of Virginia, Mr. HONDA, Mr. KUCINICH, Mr. VAN HOLLEN, and Mr. SCHIFF):

H.R. 4706. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to provide for stewardship of fishery resources for the American public, and for other purposes; to the Committee on Resources.

By Mr. RANGEL (for himself and Mr. HOUGHTON):

H.R. 4707. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage diversity of ownership of telecommunications businesses, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Small Business, 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. 4708. A bill to allow workers certified to receive trade adjustment assistance under the Trade Act of 1974 who are rehired by the same employer to continue to receive such assistance if they are subsequently unable to work because of a lock-out in the course of a labor dispute; to the Committee on Ways and Means.

By Ms. LORETTA SANCHEZ of California:

H.R. 4709. A bill to amend the Uniform Code of Military Justice to bring sexual assault crimes under military law into parallel with sexual assault crimes under Federal law, and for other purposes; to the Committee on Armed Services.

By Ms. SLAUGHTER (for herself, Mr. HINCHEY, and Mr. GRIJALVA):

H.R. 4710. A bill to clarify the congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensure that broadcasters afford reasonable opportunity for the discussion of conflicting views on issues of public importance; to the Committee on Energy and Commerce.

By Mr. SNYDER (for himself and Mr. BOOZMAN):

H.R. 4711. A bill to amend title 38, United States Code, to eliminate reductions of basic pay for eligibility for basic educational assistance for veterans under the Montgomery GI Bill; to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TIAHRT (for himself, Mr. BALLENGER, Mr. NORWOOD, and Mr. WILSON of South Carolina):

H.R. 4712. A bill to amend the Occupational Safety and Health Act of 1970 with respect to enforcement provisions; to the Committee on Education and the Workforce.

By Mr. MCGOVERN (for himself, Ms. SCHAKOWSKY, and Mr. HONDA):

H. Con. Res. 465. Concurrent resolution commending the efforts of women in the Republic of Colombia to promote peace; to the Committee on International Relations.

By Mr. HOLT (for himself, Mr. WOLF, Mr. GEORGE MILLER of California, and Mr. LANTOS):

H. Con. Res. 466. Concurrent resolution urging the Government of India to conduct a thorough and transparent investigation of the scope of abusive child labor in circuses throughout India and to pursue immediate and effective remedies to end such abuse, and to provide immediate and continuous police protection to secure the personal safety of Kailash Satyarthi, his family, and his colleagues in the South Asian Coalition Against Child Servitude; to the Committee on International Relations.

By Mr. PAYNE (for himself, Mr. CUMMINGS, Mr. JEFFERSON, Mr. WYNN, Ms. LEE, Ms. MAJETTE, Mrs. CHRISTENSEN, Mr. DAVIS of Illinois, Ms. WATERS, Mr. JACKSON of Illinois, Ms. NORTON, Mr. SCOTT of Georgia, Ms. MILLENDER-MCDONALD, Mr. DAVIS of Alabama, Mr. RUSH, Mr. TOWNS, Ms. SCHAKOWSKY, Mr. FATTAH, Mr. OWENS, Mr. RANGEL, Mr. THOMPSON of Mississippi, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT, Mr. MEEKS of New York, Ms. CORRINE BROWN of Florida, Ms. WATSON, Ms. JACKSON-LEE of Texas, Mr. LEWIS of Georgia, Mr. CLYBURN, Mr. CONYERS, Mr. SCOTT of Virginia, Mr. FORD, Ms. KILPATRICK, Mr. TANCREDO, and Mr. BISHOP of Georgia):

H. Con. Res. 467. Concurrent resolution declaring genocide in Darfur, Sudan; to the Committee on International Relations.

By Mr. CARDIN (for himself, Mr. GILCHREST, Mr. HOYER, Mr. CUMMINGS, Mr. VAN HOLLEN, Mr. WYNN, Mr. BARTLETT of Maryland, Mr. RUPPERSBERGER, Mr. GRIJALVA, Mr. WAXMAN, Mr. MCDERMOTT, Mr. BURTON of Indiana, Ms. MCCARTHY of Missouri, Mr. MORAN of Virginia, Mr. HONDA, Ms. JACKSON-LEE of Texas, and Mr. MATSUI):

H. Res. 695. A resolution expressing the condolences of the House of Representatives to the family and friends of Mattie Stepanek on his passing, and honoring the life of Mattie Stepanek for his braveness, generosity of spirit, and efforts to raise awareness of muscular dystrophy; to the Committee on Government Reform.

By Mr. FROST:

H. Res. 696. A resolution providing for consideration of the bill (H.R. 3767) to amend title XVIII of the Social Security Act to deliver a meaningful benefit and lower prescription drug prices under the Medicare Program; to the Committee on Rules.

By Mr. RYAN of Ohio (for himself and Mr. MANZULLO):

H. Res. 697. A resolution urging the Government of the People's Republic of China to take certain actions regarding exports of coke; to the Committee on International Relations.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. MILLER of Florida introduced A bill (H.R. 4713) for the relief of Christine L. Barrott; 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. 99: Mr. BARTLETT of Maryland.
H.R. 173: Mr. MCCOTTER.
H.R. 284: Mr. HASTINGS of Washington.
H.R. 303: Ms. HERSETH.
H.R. 344: Mr. OTTER.
H.R. 594: Ms. HERSETH.
H.R. 715: Mr. GALLEGLY.
H.R. 792: Mr. ACKERMAN, Mr. NEUGEBAUER, Ms. DELAURO, and Mr. NEAL of Massachusetts.
H.R. 953: Ms. HERSETH.
H.R. 962: Mr. WU.
H.R. 1080: Mr. SHAYS.
H.R. 1355: Mr. STARK.
H.R. 1466: Mr. HOEFFEL.
H.R. 1501: Mr. RANGEL, Mr. LYNCH, Mr. NEAL of Massachusetts, Mr. MCGOVERN, Mr. FRANK of Massachusetts, Ms. BORDALLO, and Mr. CASE.
H.R. 1563: Mr. RENZI.
H.R. 1684: Mr. DOGGETT and Mr. SKELTON.
H.R. 1746: Mr. POMEROY.
H.R. 1824: Mr. CRANE.
H.R. 2079: Mr. KLECZKA.
H.R. 2176: Mr. LARSEN of Washington and Mr. PICKERING.
H.R. 2239: Mr. KANJORSKI.
H.R. 2262: Mr. GUTIERREZ.
H.R. 2318: Mr. FATTAH.
H.R. 2387: Mr. FRANK of Massachusetts.
H.R. 2536: Mr. CROWLEY, Mr. BOEHLERT, and Mr. BAIRD.
H.R. 2598: Mr. SOUDER, Mr. WEINER, Mr. LARSON of Connecticut, and Mr. BACA.
H.R. 2959: Mr. ISRAEL and Mr. PORTER.
H.R. 3009: Ms. HARRIS and Mr. SHIMKUS.
H.R. 3148: Mr. ALEXANDER, Mr. ROSS, Mr. JEFFERSON, Ms. MAJETTE, Mr. DICKS, and Mr. LARSON of Connecticut.
H.R. 3180: Mr. WAXMAN.
H.R. 3192: Mr. FRANK of Massachusetts, Mr. DAVIS of Florida, Mr. KILDEE, and Mr. REYES.
H.R. 3194: Ms. ESHOO.
H.R. 3313: Mr. SIMPSON and Mr. OTTER.
H.R. 3327: Mr. CASE.
H.R. 3424: Mr. CONYERS.
H.R. 3425: Mr. CONYERS.
H.R. 3558: Mr. DEAL of Georgia, Mr. NORWOOD, Mr. ROGERS of Michigan, Mr. SMITH of New Jersey, and Mr. GIBBONS.
H.R. 3574: Ms. DUNN.
H.R. 3579: Mr. CUNNINGHAM and Mr. LANTOS.
H.R. 3619: Ms. HERSETH.
H.R. 3642: Mrs. TAUSCHER.
H.R. 3672: Ms. HERSETH.
H.R. 3676: Ms. TIERNEY.
H.R. 3684: Mr. PAYNE and Mr. KLINE.
H.R. 3728: Mr. FRANK of Massachusetts.
H.R. 3767: Mr. BROWN of Ohio and Mr. FROST.
H.R. 3804: Mr. BISHOP of New York.
H.R. 3810: Mr. BERMAN, Mr. MEEKS of New York, and Mr. PASTOR.

H.R. 3831: Mr. CASE, Mr. LANGEVIN, Mr. RUPPERSBERGER, Mr. DELAHUNT, Mr. MARKEY, Mr. EVANS, Ms. SLAUGHTER, Mr. FARR, Mr. LEWIS of Georgia, Ms. KILPATRICK, Ms. WATERS, Mr. VAN HOLLEN, Mr. SABO, Ms. ESHOO, Mr. GONZALEZ, Mr. BECERRA, Mr. HONDA, Mr. MENENDEZ, Mr. PALLONE, Mr. MATSUI, Mr. CROWLEY, Mr. MCDERMOTT, Mrs. CAPPS, and Mr. CAPUANO.

H.R. 3858: Mr. BEAUPREZ, Ms. HOOLEY of Oregon, Mr. MCCOTTER, and Mr. BOEHNER.

H.R. 3988: Mr. NEAL of Massachusetts.

H.R. 4026: Mr. NEAL of Massachusetts.

H.R. 4046: Mr. BISHOP of New York, Mr. MEEKS of New York, Mr. FROST, Mr. WEINER, Mr. TOWNS, Mr. ISRAEL, Mrs. MALONEY, Mr. MCHUGH, Mrs. MCCARTHY of New York, Mr. SERRANO, Ms. SLAUGHTER, Mr. OWENS, Mr. HINCHEY, Mr. BOEHLERT, and Mrs. LOWEY.

H.R. 4067: Mr. LANGEVIN and Ms. ESHOO.

H.R. 4093: Mr. GRIJALVA.

H.R. 4097: Ms. KAPTUR.

H.R. 4100: Mr. DOGGETT, Mr. FALEOMAVAEGA, Mrs. CHRISTENSEN, Mr. ACEVEDO-VILA, Mr. HOLT, Mr. GREEN of Texas, Mr. FRANK of Massachusetts, Mr. KILDEE, Mr. MCINTYRE, Mr. BOUCHER, Ms. BALDWIN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCNULTY, Mr. MCDERMOTT, Ms. LEE, Mr. STARK, Ms. WOOLSEY, Mr. LIPINSKI, Mr. CLAY, Mr. MEEHAN, Mr. TIERNEY, Ms. MCCARTHY of Missouri, Mr. SANDERS, Mr. KUCINICH, Mr. BERMAN, Mr. INSLEE, Mrs. DAVIS of California, Ms. CARSON of Indiana, Mr. FORD, Ms. SCHAKOWSKY, and Ms. SLAUGHTER.

H.R. 4110: Mr. SMITH of New Jersey and Ms. LEE.

H.R. 4119: Mr. ENGLISH, Mr. ISAKSON, Mr. SOUDER, Mr. MARSHALL, and Mr. GREEN of Texas.

H.R. 4124: Mr. BISHOP of Georgia.

H.R. 4131: Mr. OSE and Mr. FOSSELLA.

H.R. 4150: Mr. SIMMONS.

H.R. 4169: Mr. MILLER of Florida, Mr. HASTINGS of Washington, and Mr. JONES of North Carolina.

H.R. 4187: Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Ms. ROS-LEHTINEN, and Mr. SESSIONS.

H.R. 4206: Mr. FROST, Mr. MCNULTY, and Mr. VAN HOLLEN.

H.R. 4207: Mr. WAXMAN.

H.R. 4242: Mr. REYES.

H.R. 4261: Mr. MEEK of Florida.

H.R. 4263: Mrs. NAPOLITANO, Mr. BISHOP of New York, Mr. SERRANO, Mr. GREEN of Texas, Mrs. TAUSCHER, Mr. WEINER, Ms. SLAUGHTER, Mr. FILNER, Mr. HOLT, and Ms. SOLIS.

H.R. 4269: Mr. FATTAH.

H.R. 4284: Mr. SULLIVAN, Mr. DUNCAN, Mr. PAUL and Mr. DEAL of Georgia.

H.R. 4303: Mr. MCNULTY, Mr. GREENWOOD, Mr. CROWLEY, Mr. DAVIS of Florida, and Mr. MCCOTTER.

H.R. 4306: Mr. ROGERS of Michigan.

H.R. 4343: Mr. CULBERSON.

H.R. 4354: Mr. DOYLE.

H.R. 4415: Mr. LANTOS, Mr. ACKERMAN, and Ms. DELAURO.

H.R. 4420: Mr. STENHOLM, Mr. SESSIONS, and Mrs. MUSGRAVE.

H.R. 4430: Mr. BONILLA, Mr. MILLER of Florida, Mr. KINGSTON, and Mr. BRADY of Texas.

H.R. 4433: Mrs. MILLER of Michigan.

H.R. 4440: Mr. CARTER and Mr. JENKINS.

H.R. 4449: Mr. HONDA.

H.R. 4472: Mr. FROST, Ms. HARMAN, Mr. MCNULTY, Mr. JOHN, Mr. SANDERS, and Mr. BRADY of Pennsylvania.

H.R. 4502: Ms. NORTON, Mr. MCINNIS, and Mr. SAXTON.

H.R. 4511: Mrs. MALONEY, Mr. PAYNE, Mr. GRIJALVA, and Mr. BISHOP of Georgia.

H.R. 4521: Mr. BACHUS.

H.R. 4530: Mr. ENGLISH.

H.R. 4533: Mr. NUNES.

H.R. 4561: Mr. SOUDER.

H.R. 4576: Mr. HINOJOSA, Mr. MCINNIS, Mr. KLINE, Mr. PENCE, Mr. YOUNG of Alaska, Mr. OXLEY, Mr. BRADLEY of New Hampshire, Mr. MORAN of Virginia, Mr. BLUNT, Mr. PETRI, and Mr. RENZI.

H.R. 4584: Mr. RENZI.

H.R. 4600: Ms. MCCARTHY of Missouri, Mr. WHITFIELD, and Mr. DAVIS of Tennessee.

H.R. 4608: Mr. SMITH of New Jersey.

H.R. 4610: Mr. NETHERCUTT, Mr. THOMPSON of Mississippi, Ms. LINDA T. SANCHEZ of California, Mrs. CAPPS, Ms. PELOSI, Ms. HARMAN, Mr. HONDA, Mr. FILNER, Mrs. TAUSCHER, Ms. LOFGREN, Mr. CARDOZA, Ms. SOLIS, Mr. MCNULTY, and Mr. BECERRA.

H.R. 4622: Mr. SNYDER, Mr. CAPUANO, Mr. BISHOP of Georgia, and Mr. ISAKSON.

H.R. 4634: Mr. TIBERI, Mr. MARSHALL, Mr. SANDLIN, Mr. GREEN of Texas, Mr. RYUN of Kansas, Mr. FERGUSON, and Mr. WILSON of South Carolina.

H.R. 4636: Mr. MATHESON, Mr. MCINTYRE, Mr. DAVIS of Tennessee, Mr. JENKINS, Mr. ENGLISH, Mr. COSTELLO, Mr. COOPER, and Mr. CARDOZA.

H.R. 4655: Mr. HOEFFEL, Mr. BROWN of Ohio, Mr. RODRIGUEZ, Mr. SANDLIN, Mr. BLUMENAUER, and Ms. NORTON.

H.R. 4671: Mr. TOWNS, Ms. JACKSON-LEE of Texas, Mrs. JONES of Ohio, Mr. MCDERMOTT, Mr. GRIJALVA, and Mr. MCNULTY.

H. Con. Res. 330: Mr. RANGEL and Mr. GUTIERREZ.

H. Con. Res. 375: Mr. MATSUI, Ms. LEE, and Mr. DEUTSCH.

H. Con. Res. 418: Ms. MCCOLLUM and Mr. MCCOTTER.

H. Con. Res. 431: Mr. MARSHALL.

H. Con. Res. 442: Mr. SIMPSON, Mr. DAVIS of Illinois, Ms. SCHAKOWSKY, Mr. GUTKNECHT, Mr. INSLEE, Ms. BALDWIN, and Mr. KLECZKA.

H. Con. Res. 459: Mr. OBERSTAR, Mr. ROGERS of Kentucky, and Mr. SHIMKUS.

H. Con. Res. 462: Mr. CHABOT, Mr. LEACH, Ms. ROS-LEHTINEN, Mr. WEXLER, Mr. BERMAN, Mr. MEEKS of New York, Mr. MCCOTTER, Mrs. DAVIS of California, Mr. SMITH of New Jersey, Mr. ROHRABACHER, Mr. CHANDLER, Mr. GONZALEZ, Mr. MCNULTY, Mr. SOUDER, Ms. BERKLEY, Mr. ACKERMAN, Mr. TANCREDO, Mr. SHIMKUS, Mr. WU, Mr. KIRK, Mr. HOEFFEL, Mr. SCHIFF, Mr. DEUTSCH, and Mr. KING of New York.

H. Res. 60: Mr. SHAW.

H. Res. 466: Mr. UDALL of Colorado.

H. Res. 485: Mr. COLE and Mr. RODRIGUEZ.

H. Res. 566: Mr. GREENWOOD.

H. Res. 570: Mr. RUPPERSBERGER.

H. Res. 667: Mr. EVANS and Mrs. MYRICK.

H. Res. 687: Mrs. JONES of Ohio, Mr. MCDERMOTT, Ms. JACKSON-LEE of Texas, and Mr. SABO.

H. Res. 688: Mr. WELLER and Mr. BARTLETT of Maryland.

## AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 4614

OFFERED BY: MR. KING OF IOWA

AMENDMENT NO. 3. At the end of the bill (before the short title), insert the following:

SEC. . None of the funds made available in this Act that are provided to the United States Fish and Wildlife Service or a State department of natural resources for the purpose of carrying out habitat restoration measures for endangered species pursuant to the Corps of Engineers Missouri River Master Water Control Manual may be used for any other purpose.

H.R. 4614

OFFERED BY: MS. NORTON

AMENDMENT NO. 4. Page 3, line 17, after the dollar amount insert the following: ''(increased by $20,000,000) (reduced by $20,000,000)''.

H.R. 4614

OFFERED BY: MR. SANDERS

AMENDMENT NO. 5. Page 19, line 14, after the dollar amount, insert the following: ''(increased by $30,000,000)''.

Page 23, line 5, after the dollar amount, insert the following: ''(reduced by $30,000,000)''.

United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

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# Senate

## NOMINATION OF PETER W. HALL TO BE UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT

The PRESIDING OFFICER. The clerk will report the nomination.

The legislative clerk read the nomination of Peter W. Hall, of Vermont, to be United States Circuit Judge for the Second Circuit.

Mr. HATCH. Mr. President, I rise today to express my strong support for the confirmation of Peter W. Hall, who has been nominated to the U.S. Court of Appeals for the Second Circuit.

Mr. Hall is an exceptional nominee and well-prepared for the Federal bench. A graduate of the University of North Carolina at Chapel Hill and a cum laude graduate from Cornell Law School, he served as a law clerk for United States District Court Judge Albert W. Coffrin in the District of Vermont. He then served in the United States Attorney's Office for the District of Vermont, first as an assistant U.S. Attorney, then as first assistant U.S. Attorney. From 1986 to 2001, Mr. Hall was a partner in the law firm of Reiber, Kenlan, Schwiebert, Hall & Facey, P.C. He then returned to the U.S. Attorney's Office—this time unanimously confirmed by the Senate—to be the United States Attorney for the District of Vermont, a position he holds today.

Mr. Hall has been very active very in his community. He served as President of the Vermont Bar Association from 1995–96, on the Federal District Court Advisory Committee for the United States District Court in Vermont as a Citizen Board Member of the Vermont Criminal Justice Training Council, and on the Board of the Vermont Karelia Rule of Law Project. From 1989–1994, he was a nonpartisan elected member of select board for the town of Chittenden, VT, and in 1995, he was the elected Justice of the Peace for Chittenden. He has also been involved in the lay leadership of his church.

Mr. Hall has overwhelming bipartisan support, including both of his home State Senators, PATRICK LEAHY and JIM JEFFORDS. The ABA unanimously rated him ''well qualified.'' He is an outstanding candidate who has been nominated to fill a vacancy that has been designated by the National Judicial Conference as a judicial emergency. I urge my colleagues to join me in supporting his nomination.

The PRESIDING OFFICER. The question is, shall the Senate advise and consent to the nomination of Peter W. Hall, of Vermont, to be United States Circuit Judge for the Second Circuit.

The nomination was confirmed.

## NOMINATION OF WILLIAM DUANE BENTON TO BE UNITED STATES CIRCUIT JUDGE FOR THE EIGHTH CIRCUIT

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk read the nomination of William Duane Benton, of Missouri, to be United States Circuit Judge for the Eighth Circuit.

Mr. BOND. Mr. President, it is a pleasure to speak in support of a distinguished Missourian, my good friend Duane Benton, to serve on the United States Court of Appeals for the Eighth Circuit. Judge Benton is a respected jurist and committed public servant. I am very pleased the Senate is taking action on Judge Benton for this important position. The Members voting on this nomination, after reviewing his many accomplishments, will find Judge Benton to have an impressive record of public service and an exemplary judicial record and conclude that he will make an excellent addition to the federal judiciary.

Judge Benton currently serves on the Supreme Court of the State of Missouri. Judge Benton was appointed to the court in 1991, and also has served as its chief judge. Judge Benton has earned a reputation as a judge with a distinguished intellect who has a skill for uniting his colleagues on difficult questions. His work ethic, approach and reasoning are highly regarded by the lawyers of Missouri.

In addition to his service on the judiciary, Judge Benton brings an impressive breadth of experience to this position. His experience coupled with his judicial record give him a command of a wide range of legal matters. Judge Benton is a Certified Public Accountant—the only CPA serving on any supreme court in the United States. Judge Benton was Missouri's chief tax expert, serving as director of the Missouri Department of Revenue. Judge Benton was member of the United States Navy, serving as a judge advocate for a number of years.

Judge Benton earned his degree at Northwestern University; his law degree at Yale University School of Law, where he also served as editor of the Yale Law Journal; a Masters of Business Administration at Memphis State University and a Masters of Law at the University of Virginia.

Judge Benton has also found time to be active in the communities in which he has lived. While his activities are too numerous to name, he has given his time from coaching baseball to serving on the Board of Regents for Central Missouri State University.

He retired from the U.S. Naval Reserve as a captain, after 30 years of active and reserve duty. He is a Vietnam veteran, a member of the Veterans of Foreign Wars, the American Legion, the Navy League, the Vietnam Veterans of America and the Missouri Military Advisory Committee.

The U.S. Court of Appeals is truly the second most important court in the land. Nearly every Federal case ends up before the court in some manner. Its decisions impact every aspect of society. To these positions, I believe it is imperative that the President nominate people of distinguished intellect and character with a breadth of legal

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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experience. This standard has been far surpassed with the nomination of Judge Benton. With his knowledge and experience, he will make an outstanding addition to the Federal judiciary.

Mr. HATCH. Mr. President, I rise today to express my strong support for the confirmation of William Duane Benton, who has been nominated to the U.S. Court of Appeals for the Eighth Circuit.

Judge William Benton is an ideal nominee and is well suited for the Federal bench. He is currently a judge on the Supreme Court of Missouri, where he has served for 13 years, including two years as chief justice of the court. He is highly respected by his peers, has broad bipartisan support, and received a unanimous ''Well Qualified'' rating from the American Bar Association. Both of Judge Benton's home State senators, Senators BOND and TALENT, enthusiastically support his nomination to the Eighth Circuit.

Before I go on, I want to note here that Judge Benton is the only certified public accountant serving on any State supreme court in the United States.

I would also note Judge Benton's military career. From 1975 to 1979, he served with the U.S. Navy as a judge advocate. A Vietnam veteran, Judge Benton retired from the U.S. Naval Reserve at the rank of Captain following 30 years of active and reserve service.

Judge Benton has an outstanding academic record and I want to list a few of his accomplishments: He graduated summa cum laude from Northwestern University, where he became a member of Phi Beta Kappa. He then attended Yale Law School, where he distinguished himself as both an editor and managing editor of the Yale Law Review. While on active duty in the Navy, he attended business school at night at the University of Memphis and received his master's in business administration—with highest honors. And in 1995, he received an L.L.M. from the University of Virginia.

Judge Benton has been a dedicated public servant throughout most of his career, serving in all three branches of the Government at the State or Federal level. He was confirmed by the Missouri Senate for many of those positions: Director of Revenue for the Missouri Department of Revenue; the Chair of the Board of Trustees for the Missouri State Employees' Retirement, and Member of the Board of Regents for Central Missouri State University. Additionally, the governor of Missouri appointed Judge Benton to the Multistate Tax Commission prior to his service on the bench. The Missouri Senate also confirmed him for that position, and members from 32 other states elected him chair of the commission. Judge Benton also served as chief of staff to Missouri Congressman Wendell Bailey in the U.S. House of Representatives.

In addition to his many years as a public servant, Judge Benton maintained a law practice. During the 1980s, he had a general civil practice representing clients such as statewide associations and groups, small businesses, and local governments. He also represented several Federal inmates on a pro bono basis.

Judge Benton has the support of both home State senators. Furthermore, he has wide support from members of the Missouri bar, as well as community organizations such as the Jefferson City Branch of the N.A.A.C.P.

Judge Benton has a solid reputation for possessing a high level of integrity, and for being personable and engaging. I'm sure that my colleagues will agree that Judge Benton brings unmatchable expertise, as well as experience to the Federal bench.

Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, a little more than a month ago we were able to obtain a firm commitment from the White House that there would be no further judicial recess appointments for the remainder of this presidential term. That undertaking led immediately and directly to the Senate vitiating a cloture vote and proceeding to confirm a district court nominee from Florida. Since that time I have been urging the Republican leadership to schedule consideration and votes on the other two dozen nominees to be considered. They started slowly but last week we were able to confirm nine of the judicial nominees. Today we will act on several more.

It is unfortunate that the Republican leadership did not schedule the debate that they know will be required before a vote on the Holmes nomination. There remains no Democratic hold on that nomination. The problem has been the failure of the Republican leadership to build that debate into the Senate schedule.

I am working with the Democratic leader and all Senators to complete action on all the other judicial nominees subject to the understanding. In order to accommodate Senators, we will proceed with some of the nominees by voice vote.

The facts are that Senate Democrats have been much more cooperative with this President than Republicans were when President Clinton was in the White House. Democrats in this Senate have shown great restraint and extensive cooperation in the confirmation of nearly 200 of this President's judicial nominations. We have reduced circuit court vacancies to the lowest level since the Republican Senate leadership irresponsibly doubled those vacancies in the years 1995 through 2001. We have already reduced overall Federal court vacancies to the lowest levels in 14 years, and after today we may hit a level of vacancies achieved only once in the last 20 years with less than 30.

Today we consider William Duane Benton, the fifth of President Bush's nominees to a circuit court we will have confirmed this year. This should be contrasted with the number of circuit court nominees confirmed in the 1996 session, the last year of President Clinton's first term. That session not a single circuit court nominee was permitted by the Republican majority to proceed to confirmation, not one. That year only 17 judges were allowed to be confirmed and all were to district court vacancies.

Judge Benton, who currently serves on the Supreme Court of Missouri, is an example of the sort of nominee that President Bush ought to send for the appellate courts. He has a reputation as a conservative, but fair-minded judge. As an attorney he had experience in a variety of areas of law, and on the State Supreme Court he has handled complex criminal and civil cases. He has written a number of excellent opinions, laying out the facts and the law with no hint of any personal bias. Judge Benton shows a willingness to listen to all litigants and to be fair.

I was especially struck by his fairness in death penalty cases. Far too often judges, especially elected judges, yield to the pressure of those who would sacrifice important constitutional principles in capital cases. As I look at his record, I see that of the 21 published opinions Judge Benton has written in death penalty cases, he has affirmed 12 and reversed nine. I think it is telling that he is willing to see beyond what are always terrible facts in these cases to ensure that justice and important constitutional safeguards are preserved.

I hope that my praise for his work in death penalty cases will not hurt Judge Benton's chances for confirmation. I remember not so long ago when another judge on the Supreme Court of Missouri, now-Chief Justice Ronnie White, was before the Senate as a nominee to a seat on the Federal bench. Sadly, Judge White's willingness to uphold the Constitution and ensure fair process in death penalty cases led to his being defeated by an unprecedented party-line vote of Republican Senators. His record was twisted and distorted for purposes of partisan politics.

Judge White was twice nominated by President Clinton to fill a seat on the U.S. District Court. The Judiciary Committee held two hearings on his nomination. Judge White was introduced enthusiastically by Senator BOND, and after each of these hearings the committee voted favorably to report his nomination to the full Senate. Despite this bipartisan support, however, his nomination was delayed for months and then years. When the time finally came for a vote on the Senate floor, Judge White was ambushed, and he was rejected in a party-line vote during which Republicans who had supported his nomination previously reversed position to scuttle it before the Senate.

The biggest distortions of Judge White's record were in death penalty

cases. His record on the whole compares favorably to Judge Benton's. According to testimony at Attorney General Ashcroft's confirmation hearing, Judge White voted to affirm the death penalty in 69 percent of the cases he heard. Looking just at the opinions Judge Benton has authored, we see him writing to affirm the death penalty 58 percent of the time. If we factor in cases in which he did not write the opinion but voted to affirm a capital sentence, I am sure the percentage is higher, and approaches Judge White's record.

For opposing a capital sentence in dissent in a small minority of the cases he heard, Judge White was vilified. Then-Senator Ashcroft took to the Senate floor and pointed to Judge White's record in death penalty cases as evidence that he was ''pro-criminal,'' further describing Ronnie White as a judge, ''with a tremendous bent toward criminal activity or with a bent toward excusing or providing second chances or opportunities for those who have been accused in those situations.'' These were outrageous things to say about a man who had devoted his life to the law, who had served many years on the State's highest court, and who had voted to reverse a small number of death sentences in order to preserve the integrity of the Constitution. When Judge White came to testify at Attorney General Ashcroft's confirmation hearing, Senator SPECTER offered him an apology for the way in which he was treated.

I mention all of this, as I said, because it provides such a stark contrast to the treatment that Judge Benton has gotten throughout his confirmation process. I doubt anyone will look at the nine cases in which he wrote to reverse a death penalty—50 percent more cases than those Judge White voted to reverse—and accuse him of being ''pro-criminal''. I will be surprised if, because he has found reversible error in the imposition of nine different death sentences, each one involving terrible crimes and horrific facts, any Member of this Senate will accuse him of having a ''tremendous bent toward criminal activity.'' I will be shocked if, because he exercised his best judgment and followed the law as he understood it, he will be vilified and humiliated in a sneak attack in the manner that Judge Ronnie White was treated.

Of course, none of that should happen to Judge Benton, just as none of that should have happened to Judge White. I hope that one day Judge White's name can come back before the Senate and that he can be treated with the integrity and respect he deserves, just as we treat Judge Benton. I will vote in favor of Judge Benton's confirmation.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination of William Duane Benton, of Missouri, to be United States Circuit Judge for the Eighth Circuit?

The nomination was confirmed.

## NOMINATION OF DORA L. IRIZARRY TO BE UNITED STATES DISTRICT JUDGE

## NOMINATION OF GEORGE P. SCHIAVELLI TO BE UNITED STATES DISTRICT JUDGE

## NOMINATION OF ROBERT BRYAN HARWELL TO BE UNITED STATES DISTRICT JUDGE

The PRESIDING OFFICER. The clerk will state the next set of nominations, en bloc.

The legislative clerk read the nominations of Dora L. Irizarry, of New York, to be United States District Judge for the Eastern District of New York;

George P. Schiavelli, of California, to be United States District Judge for the Central District of California;

Robert Bryan Harwell, of South Carolina, to be United States District Judge for the District of South Carolina.

Mr. HATCH. Mr. President, I rise today to express my support for the confirmation of Dora Irizarry, who has been nominated to the U.S. District Court for the Eastern District of New York.

Judge Irizarry has an impressive record of academic achievement and public service. She is a cum laude graduate of Yale University and a graduate of Columbia University School of Law. She has spent the great bulk of her career in public service, including 16 years as an assistant district attorney prosecuting complex narcotics cases. In 1995, then-Mayor Rudolph Guiliani appointed her to the New York City Criminal Court. Two years later, she was elevated by Governor George Pataki to the New York Court of Claims, where she served as an acting justice on the New York Supreme Court. After seven years of service as a judge, she left the bench in 2002 to campaign as the Republican candidate for State Attorney General. She is currently in private practice with the New York law firm of Hoguet Newman & Regal.

In acknowledging the questions that some of my colleagues have about Judge Irizarry, let me just say I have done my best to ensure her nomination is treated with fairness and respect, and I believe we've succeeded. During the confirmation hearing for Judge Irizarry, we heard from the ABA and we also heard from three distinguished members of the New York legal community. We heard from New York Supreme Court Justice Michael Pesce, the presiding justice, and New York Supreme Court Justice Lewis Douglass, as well as James Castro-Blanco, immediate past president of the Puerto Rico Bar Association. They praised her legal aptitude and experience, her integrity, and, most notably, her judicial temperament.

Furthermore, the Committee received a number of letters in support of Judge Irizarry's nomination from those who were unable to attend her hearing, as well as a strong letter in support from the Congressional Hispanic Caucus.

When I look at the full record in this case, including the impressive testimony on behalf of Judge Irizarry from her judicial colleagues and former associates, the endorsements of the Brooklyn, Asian American and Puerto Rican Bar associations, and her own answers to the questions that have been raised, I am persuaded that she is prepared to be a fine Federal judge. I support her confirmation, and I ask my colleagues to do the same.

Mr. President. I yield the floor.

Mr. LEAHY. Mr. President, today, we are asked to consider the nomination of Dora Irizarry to the United States District Court for the Eastern District of New York. There was some controversy with her nomination stemming from interviews conducted by the American Bar Association. A majority of the ABA Standing Committee members concluded that Judge Irizarry was ''not qualified'' for the Federal bench. I believe we must give considerable weight to such peer reviews.

Unfortunately, Judge Irizarry is one of 28 judicial nominees of this President to receive a partial or majority rating of ''not qualified'' from the ABA committee that conducts a peer evaluation of judicial nominees. When the ABA advises us that even a minority of the members of its review committee consider a nominee to be ''not qualified,'' that is cause for concern. I know that the ABA representatives take their work very seriously.

Last October, the Judiciary Committee held a hearing on the nomination of Judge Irizarry, with the consent of both of the Senators from her homestate of New York. The senior Senator from New York, Senator SCHUMER, served as the ranking member at the hearing. On behalf of the Democratic minority, I worked with Chairman HATCH to allow that hearing to be scheduled on shorter notice than would normally be required under Senate rules. That was one of a series of accommodations Democrats have made to the Republican majority and to this administration without receiving acknowledgment or credit. At the hearing, the committee explored the nomination and the unfavorable recommendation of the ABA. We heard from the nominee, Judge Dora Irizarry, ABA representatives, and the witnesses speaking in support of her qualifications.

The Democratic members of the Judiciary Committee look very closely at the peer review ratings provided by the ABA. Nevertheless, we consider the views of the ABA an important but not a dispositive piece of information as part of our evaluation. We may not always agree with the recommendation.

The Senate proceeded to confirm nominees with majority ''Not Qualified'' ratings from the ABA, and during the course of this administration the Senate has confirmed a number of nominees with partial ''Not Qualified'' ratings.

There are other factors that are critical considerations for these lifetime positions in the Federal judiciary beyond a favorable ABA rating. For example, in the judgment of some Members of the Senate, some of this President's judicial nominees do not have records that demonstrate that they will be fair judges and, instead, their backgrounds suggest precisely the opposite: that they were chosen with the hope that they would prejudge areas of constitutional law in order to move the law in a certain direction in tune with the political views of the right wing of the Republican party.

I have no concerns about the impartiality of the ABA member, Pat Hynes, who conducted the interviews in connection with the nomination of Judge Irizarry. Ms. Hynes, who is of counsel at Milberg Weiss, chaired the ABA standing committee during the beginning of the Bush administration and also served as the ABA's Second Circuit representative from 1995 to 2000. She is currently Chair of the Merit Selection Panel for Magistrate Judges for the Southern District of New York and serves on the Second Circuit Court of Appeals Rules Committee. She was chosen as a Fellow of the American College of Trial Lawyers and has been named one of the Top 50 Women Litigators in the United States and one of the 50 Most Influential Women Lawyers in America.

The Senate Judiciary Committee's practice has been to invite the ABA's testimony in connection with a nomination when a circuit or district court nominee has earned a majority or unanimous rating of ''not qualified.'' In providing such testimony, I know that the ABA takes pains to preserve the confidentiality of the attorneys and judges they interview as part of their review. I do wish the ABA would provide similar information, informally or formally, about other ratings they provide. Before President Bush ejected the ABA from the process of providing an informal rating before a nomination was made, the fact that temperament or ethics concerns were raised was conveyed, and sometimes past White Houses chose not to proceed after making further inquiry into such concerns. Additionally, when the ABA was involved in the process before nomination, I am confident that members of the legal community were more candid before a judicial candidate was given the imprimatur of the President.

I understand that in connection with the nomination of Judge Irizarry, the ABA heard a number of candid assessments from the lawyers and judges Ms. Hynes interviewed, some very positive and some troubling in the area of judicial temperament.

Judge Irizarry, who was born in Puerto Rico, is an attorney with the New York firm of Hoguet, Newman & Regal. A 1979 graduate of Columbia Law School, she was appointed to the Bronx County Criminal Court in 1996, and then served on the New York County Criminal Court, on the New York Supreme Court, which, despite its name, is a trial level court, in New York County and Kings County, and on the New York Court of Claims. She served as a judge until May 2002, when she resigned to run an unsuccessful campaign for State Attorney General against Eliot Spitzer. As I mentioned, based on concerns about temperament, a majority of the ABA committee found her to be ''not qualified'' for a Federal judgeship and a minority voted to find her ''qualified.'' The New York City Bar Association's Judiciary Committee also found Judge Irizarry to be unqualified for a position on the Federal bench, citing a lack of Federal experience and complaints about her judicial temperament.

I have concerns about the serious temperament allegations that were made to the ABA standing committee but I trust the judgment of the senior Senator from the State of New York and I am prepared to support Judge Irizarry's confirmation to this lifetime position. I trust that she will conduct herself on the Federal bench in a way that is above reproach.

NOMINATION OF GEORGE SCHIAVELLI

Mr. HATCH. Mr. President, I am pleased today to speak in support of George P. Schiavelli to be United States District Judge for the Central District of California.

Judge Schiavelli has exceptional qualifications for the Federal bench. After graduating first in his class from UCLA Law School in 1974 he joined the law firm of O'Melveny & Myers LLP as an associate where he worked on litigation, labor, corporate and entertainment issues with an emphasis on commercial litigation. In 1976, Judge Schiavelli joined the litigation department of Ervin, Cohen & Jessup LLP. Ten years later, he was hired as a partner at Horvitz & Levy, LLP, an appellate law firm.

Judge Schiavelli began his distinguished career in public service by joining the Los Angeles Superior Court in 1994 where he served until 2000. Since that time, he has practiced principally in the area of alternative dispute resolution, ADR, acting as a mediator, arbitrator, referee, and special master. In addition to his ADR activities, Judge Schiavelli has been Of Counsel to the Appellate Group of Reed Smith LLP.

Judge Schiavelli's impressive credentials are reflected in his unanimous American Bar Association rating of Well Qualified. I urge my colleagues to join me in supporting his nomination.

Mr. LEAHY. Mr. President, today the Senate considers the nomination of George Schiavelli to the U.S. District Court for the Central District of California. He is currently of counsel at Reed Smith LLP in Los Angeles, where he has worked since 2000. Prior to joining Reed Smith, he served as a judge on the Los Angeles Superior Court from 1994–2000. He has significant litigation and judicial experience and I support his nomination.

Mr. Schiavelli's nomination is the product of a bipartisan judicial nominating commission maintained with the White House by Senators FEINSTEIN and BOXER. The State of California is well-served by its bipartisan judicial nominating commission, which recommends qualified, moderate nominees on whom members of both parties can agree. It is difficult to understand why President Bush has opposed similar bipartisan selections commissions since they clearly help Democrats and Republicans work together to staff an independent judiciary.

I thank Senators FEINSTEIN and BOXER for their steadfast efforts in maintaining the commission. It is a testament to their diligence that we have such well-qualified nominees heading to California's Federal courts. With this confirmation, the Senate will have confirmed 15 nominees to the district courts in California.

The Senate will now have confirmed more than two dozen judicial nominees of President Bush this year alone. Only 17 judges were confirmed under Republican leadership in the entire 1996 session and no circuit court nominees were confirmed that entire time. That was the last year in which a President was seeking reelection. We have far exceeded the number of judges confirmed, including circuit judges, that year.

With today's votes, the Senate will have confirmed nearly 200 judicial nominees of President Bush. In this Congress alone, the Senate has confirmed more Federal judges than were confirmed during the 2 full years of 1995 and 1996 when Republicans first controlled the Senate and President Clinton was in the White House. We have also exceeded the 2-year total at the end of the Clinton administration, when Republicans held the Senate majority in 1999 and 2000. I would note, however, that the Republican-controlled Senate has not confirmed in 25 months quite as many as the 100 the Democratic-led Senate confirmed in our 17 months in the majority in 2001 and 2002.

With nearly 200 confirmation of President Bush's judicial nominees, the Senate has confirmed more lifetime appointees for this President than were allowed to be confirmed in the most recent four-year presidential term—that of President Clinton from 1997 through 2000. We have confirmed more judicial nominees than the first President Bush appointed in his presidency and more than during President Reagan appointed during his entire term from 1981 through 1984.

I congratulate Mr. Schiavelli and his family on his confirmation today.

NOMINATION OF ROBERT B. HARWELL

Mr. HOLLINGS. Mr. President, I join LINDSEY GRAHAM in supporting Bryan

Harwell to be a Federal judge in the Low Country. I support nominees from both parties no matter who is President, but I don't believe this Nation's courts should be filled with judges who are advancing a political agenda. We need to stay above politicizing the courts for short-term political gain. I have been disturbed by a few of the President's nominees, who have been outside the judicial mainstream, or are only marginally qualified, or are tainted by conflicts or their past political work for Kenneth Starr. We should not use the Federal bench to reward our political operatives.

Bryan Harwell has distinguished himself as a trial lawyer with a law firm in Florence and Marion, representing individuals and small businesses in general civil, criminal, workers compensation and family court matters. In particular, he has developed expertise in torts and insurance, product liability, malpractice and other negligence cases. His Martindale-Hubbell Rating is AV, the highest possible rating. As a veteran, I appreciate Mr. Harwell's service for a number of years in South Carolina's Army National Guard, during which he rose to the rank of JAG Captain. He has also contributed to his community as a Trustee of the Florence Darlington Technical College and as a business law professor there. Bryan Harwell will be a fine Federal judge.

Mr. GRAHAM of South Carolina. Mr. President, I have had the pleasure of knowing Bryan Harwell for a very long time. I have always respected his character as well as his legal abilities. Upon hearing of Judge Houck's intention to take Senior Status, I immediately thought of Bryan. He has distinguished himself in private practice since 1984, serving as a pillar of the Florence, SC legal community. Everyone I've talked to about his nomination has been unanimous in their admiration for him and his family.

As most of you know, I have based my judicial recommendations to the President on character, ability, and temperament. Bryan Harwell fulfills all of these criteria with a large measure to spare. Indeed, he has displayed excellence in all of these categories for as long as I have known him. Upon graduation from the University of South Carolina School of Law, where he finished his degree in just over 2 years, Bryan clerked for one of our most respected state Circuit Judges, Rodney Peeples. Finishing his clerkship with Judge Peeples, he then went on to clerk for one of our most accomplished Federal judges, U.S. District Judge G. Ross Anderson. Both have had high praise for Bryan's time in their service.

After his clerkships, Bryan entered private practice with the law firm of Harwell, Ballenger, Barth & Hoefer, where he currently practices. His practice has involved the complete spectrum of South Carolina's laws and he has argued cases before our State Supreme Court as well as the Fourth Circuit Court of Appeals. He has augmented his litigation practice with a thriving mediation and arbitration practice, an area I personally believe has great promise for addressing a number of our legal system's problems. Last, but certainly not least, he has served his country as a Judge Advocate General officer in the South Carolina National Guard.

In short, like many lawyers in South Carolina, he has represented the working man and the small businessman and he has served his country as well. I have a tremendous amount of respect for that type of lawyer, having been one myself.

While he has excelled in private practice, Mr. Harwell has also shown his deep commitment to his community. He has opened his practice to those who are less fortunate and who need a helping hand by serving as a referral attorney for Carolina Regional Legal Services. He has served as an adjunct business law instructor at Francis Marion University. Bryan has participated in the South Carolina Bar's Ask-a-Lawyer project, an important link between our legal community and our citizens, which often serves as the only opportunity many of our citizens have for knowledgeable advice regarding some of life's most important matters. And, reflecting his varied interests, he has also served on the Board of Trustees at Florence Darlington Technical College.

Bryan Harwell has also gone out of his way to serve South Carolina's legal community. He has served as a lecturer on arbitration and mediation law on a number of occasions for our South Carolina Bar.

In recognition of his accomplishments and service, I am proud that Mr. Harwell received a unanimous ''Qualified'' rating from the American Bar Association. I am certain that he will be an excellent addition to the Federal bench.

I am pleased that the Senate has voted to confirm Mr. Harwell today.

Mr. HATCH. Mr. President, I rise today to express my strong support for the confirmation of Robert Harwell, who has been nominated to the U.S. District Court for the District of South Carolina.

Mr. Harwell is an exceptional nominee. A graduate of the University of South Carolina School of Law, he brings more than 20 years of legal experience to the Federal bench. After graduation, he clerked consecutively for South Carolina Circuit Judge Rodney A. Peeples and U.S. District, South Carolina, Judge G. Ross Anderson, Jr.

Let me just say that Mr. Harwell, like my distinguished colleague from South Carolina, Senator LINDSEY GRAHAM, has served as judge advocate general in the South Carolina Army National Guard. I note that Senator GRAHAM served in the Air National Guard.

After his clerkships, Mr. Harwell entered private practice with the law firm of Harwell, Ballenger & DeBerry, now known as Harwell, Ballenger, Barth & Hoefer, LLP, where he currently practices. In addition to practicing law, he often serves as a mediator or arbitrator, skills that will undoubtedly serve him well on the bench.

I think my colleagues will agree that Mr. Harwell is a well-qualified nominee and will make a fine jurist.

Mr. President. I yield the floor.

Mr. LEAHY. Mr. President, today we vote on the nomination of Robert Harwell to the U.S. District Court for the District of South Carolina. Mr. Harwell is the name partner of a litigation firm in South Carolina, Harwell, Ballenger, Barth & Hoefer, LLP, where he has practiced law since 1984. He has significant litigation experience, and I support his nomination.

The Senate will now have confirmed more than two dozen judicial nominees of President Bush this year alone. Only 17 judges were confirmed under Republican leadership in the entire 1996 session and no circuit court nominees were confirmed that entire time. That was the last year in which a President was seeking reelection. We have far exceeded the number of judges confirmed, including circuit judges, that year.

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With nearly 200 confirmation of President Bush's judicial nominees, the Senate has confirmed more lifetime appointees for this President than were allowed to be confirmed in the most recent four-year presidential term—that of President Clinton from 1997 through 2000. We have confirmed more judicial nominees than his father got confirmed and than during President Reagan's entire term from 1981 through 1984. Republicans should stop their false claims of obstructionism given these broken records.

With this confirmation, we have filled every vacant seat in South Carolina. It is a pleasure working with both of the Senators from South Carolina. I congratulate Mr. Harwell on his confirmation.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nominations, en bloc?

The nominations were agreed to en bloc.

The PRESIDING OFFICER. The motions to reconsider are laid upon the table, and the President will be notified of the foregoing Senate action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, does the Senator from Kentucky want to be recognized?

Mr. MCCONNELL. Yes. If I could get in the queue here, I know the Senator from West Virginia is going to speak, followed by the Senator from North Carolina.

I ask unanimous consent that I be recognized after the Senator from North Carolina.

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

VOTE EXPLANATION

Mr. BYRD. Mr. President, I voted against the Frist-Daschle resolution on the Middle East. My constituents are entitled to an explanation. I opposed the resolution, and I know the leaders, and indeed all of the Members of this body, are genuinely committed to advancing the cause of peace in the Middle East, but no one should be naive enough to think this resolution will move the process forward one centimeter. If anything, the lopsided pro-Israel slant of this resolution will serve only to strengthen the growing distrust of moderate Arab States toward the United States.

This resolution is a blatantly unfair reading of the current status of the Israel-Palestinian conflict. It claims that the President's roadmap for peace is still relevant, even though it has been completely stalled for more than a year. The resolution wholeheartedly endorses Prime Minister Sharon's view of the barrier wall being built in West Bank, without so much as a mention of the wide opposition to its construction from moderate Arab countries, such as Jordan.

The resolution contains language that could easily be construed to be in support of the controversial, and some claim illegal, practice of the targeted assassinations carried out by the Israeli Armed Forces. The United States is completely right to condemn the violence carried out by Palestinian terrorists, but we cannot turn a blind eye to the unwarranted excesses of the Israeli Government under Mr. Sharon. If our country truly wants to push both sides toward the negotiating table, we should condemn all violence arising from the Israeli-Palestinian conflict, including that which has claimed the lives of innocent Palestinians. There is blame to be shouldered by both sides. If we are to regain our credibility—let me say that again. If we are to regain our credibility as honest brokers in the Middle East, we need to acknowledge that fact. Progress will only be made in resolving the Middle East violence when the United States weighs in with a fair, evenhanded position that points out the wrongdoings of both sides.

Resolutions such as this one are a far cry from being fair, objective, or evenhanded.

Besides the specific provisions of this resolution, I oppose the thrust of the resolution, which is intended to express ''the Sense of the Congress in Support of United States Policy for a Middle East Peace Process.'' The United States has been completely disengaged from the Israeli-Palestinian peace process for far too long, and the number of victims on both sides is growing far too fast. I cannot support a policy that boils down to a benign neglect of the violence in the Middle East.

Resolutions such as the one the Senate has taken up today may serve as a useful platform for a press release or a stump speech, but they do nothing to advance the cause of peace in the Middle East. I would jump at the chance to vote for a meaningful resolution that articulated the Senate's support of a viable policy to resolve the conflict between the Palestinians and the Israelis. But this administration has abandoned any pretense of promoting such a policy. To voice the Senate's support for what amounts to a set of empty promises and incendiary rhetoric is a foolish exercise of which I want no part.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

IRAQ AND AL-QAIDA

Mrs. DOLE. Mr. President, I find it troubling that the war in Iraq is not being equated to the overall war on terror. Polls have shown evidence that Americans are not making the connection. So the question at hand is, Was removing Saddam's government a positive step in the overall war on terror?

Our ability to turn over control to a peaceful and sovereign Iraqi government is an integral part of the overall war on terror. Collaboration of Iraq's former regime with terrorist groups and its funding of them have not been in question. Yet few critics and naysayers have passed up the chance to undermine a link between Iraq and al-Qaida.

Despite recent media reports that have clouded, or even misrepresented, the facts, there is compelling evidence that al-Qaida and Iraq have been linked for more than a decade. Democratic co-chairman of the 9/11 Commission, former Representative Lee Hamilton of Indiana, told reporters there were connections between al-Qaida and Saddam Hussein's government.

In a speech earlier this afternoon, former Vice President Al Gore accused President Bush of lying about a connection between al-Qaida and Iraq. This is the same Al Gore who was a member of the same Clinton White House that first made charges about the dangers of Iraq passing chemical or biological weapons to al-Qaida. Those charges formed the basis for the missile strikes against alleged terrorist targets in Sudan in August 1998, according to on-the-record statements from no fewer than six top Clinton administration officials.

Documents discovered recently by U.S. forces at Saddam's hometown of Tikrit showed that Iraq gave Abdul Rahman Yasin both a home and a salary. Yasin was a member of the al-Qaida cell that detonated the 1993 World Trade Center bomb. Is this not a clear example of Iraq not only having a relationship with al-Qaida but also harboring and rewarding a terrorist, a person who was directly involved in a terrorist attack on our soil?

Let me highlight the case of Zarqawi, arguably the most dangerous terrorist in the world today. He and his men trained and fought with al-Qaida for years. Zarqawi's network helped establish and operate an explosives and poison facility in northeast Iraq. Not only was Zarqawi in Baghdad prior to Saddam's ousting, but nearly two dozen members of al-Qaida were there as well. One al-Qaida associate even described the situation in Iraq as good and stated that Baghdad could be transited quickly.

Let me be clear. Mistakes have been made in Iraq, and this operation has been far from perfect, as evidenced by the fact that Zarqawi and other terrorists continue to wreak havoc throughout Iraq. But those who undermine the rationale for our mission in Iraq for political gain make our mission even more difficult and certainly do not boost the morale of our men and women in uniform.

Many of these young men and women are from my home State of North Carolina. They seek to assist the Iraqi people in transforming a country that harbored and gave safe haven to terrorists, a country to which terrorists traveled to consort with one another about how to produce weapons and how to inflict them on a common enemy. The terrorists know what is at stake, which is why they are pulling out all the stops to derail our efforts. They understand that a free and democratic Iraq is a serious blow to their interests.

I want our men and women in uniform to know that this Senator understands and appreciates the importance and the magnitude of the great work they are doing in Iraq. As my colleague, Senator LIEBERMAN, stated very succinctly this morning, the war in Iraq is the central battleground in the war on terror. Because of the efforts and eventual success of many brave men and women, the American people and the world are much safer.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky is recognized.

RENEWAL OF SANCTIONS AGAINST BURMA

Mr. MCCONNELL. Mr. President, a few moments ago, the Senate voted to renew sanctions against one of the worst regimes in the world, the regime

that runs Burma. The situation in Burma is dire. Suu Kyi and the other NLD prodemocracy leaders remain in prison; a crackdown on democracy activists continues; and the SPDC's—that is the name the military thugs who run the country have given themselves—inhumane policies of child and forced labor, rape as a weapon of war, narcotics, human trafficking, and the use of child soldiers remains unchanged.

The swift passage of this resolution, which we did a few moments ago, matches words of support for freedom in Burma with concrete actions. It is past time to judge the military regime in Burma not by what it says but by what it does. The junta misled governments throughout the region into thinking that the May 17 constitutional convention would be a step forward in the reconciliation process, but it was not. The convention was nothing more than a summer camp for the sycophants of the military regime.

I am pleased our allies are increasing pressure on the junta. The European Union recently cancelled the Asia-Europe meeting because of Burma. It is an important step in the right direction. The EU should consider additional sanctions against the military regime.

More must be done. The U.N. Security Council should take up Burma for a discussion and for sanction and ASEAN should abandon the outdated policy of noninterference in member states' affairs.

One common subject must remain and that is the full and unfettered participation of Suu Kyi and the NLD, her political party, and ethnic minorities in a meaningful reconciliation process. I have two words for the regional neighbors of Burma: ASEAN 2006. That is the year Burma takes over chairmanship. That is 2 short years from now, which would result in a tremendous loss of face for that association.

Despite their worst efforts over the past 14 years, the SPDC has failed to smother the flames of freedom in Burma. I continue to be inspired by reports of activists who bravely and nonviolently defy the junta's illegitimate rule, like the handful arrested last month for distributing pamphlets in several Burmese townships marking the 1-year anniversary of the Depayin massacre.

It would be wise for the SPDC to accept the time-tested fact that Suu Kyi and the NLD are not going anywhere. They, and the ethnic minorities, are an integral part of the solution to the Burmese problem.

To wit, the NLD and their supporters made the courageous and correct decision to boycott the sham SPDC-orchestrated constitutional convention last month. I am pleased that international condemnation by the United States, United Nations, European Union and regional neighbors of the hollow convention was rightly aimed at the SPDC. The generals in Rangoon made any number of assurances to foreign diplomats that the process would be inclusive. It clearly was not.

This only underscores the imperative to judge the SPDC not by what it says but by what it does.

The convention turned out to be nothing more than a summer camp for SPDC sycophants. According to the Washington Times, the junta required their handpicked delegates to ''bathe at reasonable times, avoid junk food and live in self-contained camps where they can enjoy karaoke, movies and golf.''

Import sanctions by the United States alone will not help facilitate a meaningful reconciliation process in Burma. We need the U.N., E.U., and regional neighbors to fully commit to the cause. This was made clear by the NLD in a recent plea to U.N. General-Secretary Kofi Annan to ''take this matter to the Security Council''.

The U.N. should help the NLD and the people of Burma by examining the clear and present danger Burma poses to the region. This must include narcotics production and trafficking, the spread of HIV/AIDS throughout the region, the gross human rights violations of the SPDC, the plight of Burmese refugees and IDPs, and alarming reports of the junta's interests in North Korean missiles and Russian nuclear technology.

The E.U. should help the NLD and the Burmese people by examining its sanctions regime and imposing further punitive measures against the junta. I am pleased that our allies in the E.U. recently canceled the upcoming Asia-Europe Meeting, ASEM, dialogue in Brussels over the attendance of the SPDC. The junta has no place at this multilateral table.

Regional neighbors should help the Burmese people buy reconsidering the Association of Southeast Asian Nation's, ASEAN, outdated policy of noninterference in the internal affairs of member states.

Asian leaders must recognize the regime for what it is, wholly illegitimate to the people of Burma, the international community and the region. The SPDC's export of illicit drugs and HIV/AIDS is, literally, burying the children of Asia. All of Asia's youth, not only those in Burma, face a future that is undermined by Burmese-spread drugs and disease.

The region cannot ignore the fact of the junta's chairmanship of ASEAN in 2006. There could be no greater loss of face for that association than being under the guidance of the SPDC.

Let me close by thanking all 53 of my colleagues who joined me in sponsoring the sanctions resolution. I want to recognize in particular the efforts of Senators FEINSTEIN and MCCAIN and their respective staffs to support freedom and justice in Burma. The Burmese people have no greater friends in the Senate, or in Washington. I also appreciate the efforts by Senators GRASSLEY and BAUCUS and their respective staffs to expedite consideration of the legislation.

I would be remiss if I did not note the words of support of the NLD made by former Mongolian Prime Minister Tashika Elbegdorj, the Same Rainsy Party in Cambodia, and the cross-party Burma Caucus formed by Malaysian parliamentarians. Although they are engaged in their own efforts, and, in some cases, struggles, for democracy and human rights in their respective countries, they stand in solidarity with the people of Burma.

I encourage other neighbors to find their voice in support of the Suu Kyi and the NLD during these troubling times.

I thank the 53 cosponsors of this resolution, in particular Senators FEINSTEIN and MCCAIN. Burma has no better friends in Washington than DIANNE FEINSTEIN and JOHN MCCAIN.

I also appreciate the efforts of Senators GRASSLEY and BAUCUS and their respective staffs to move the bill in an expeditious manner.

I ask unanimous consent that a letter from Secretary of State Colin Powell indicating the State Department's support for the continuation of the sanctions we earlier today imposed with our vote in the Senate be printed in the RECORD.

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

THE SECRETARY OF STATE,
*Washington, DC, April 30, 2004.*

Hon. MITCH MCCONNELL,
*Chairman, Subcommittee on Foreign Operations, Committee on Appropriations, United States Senate.*

DEAR MR. CHAIRMAN: I am writing to reaffirm the State Department's support for the continuation of the restrictions on imports from Burma, as I stated in my testimony before the Senate Appropriations subcommittee on foreign operations on April 8. Our sanctions represent a clear and powerful expression of American disapproval of the developments in Burma. This action is a key component of our policy in bringing democracy and improved human rights to Burma, as well as supporting the morale of Burmese democracy activists.

I support wholeheartedly passage of the Joint Resolution you introduced along with Senator Feinstein. Thank you for your leadership on this issue.

Sincerely,

COLIN L. POWELL.

## THERE IS A PRICE TO PAY FOR FREEDOM'S STRUGGLE

Mr. MCCONNELL. Mr. President, almost a century and a half ago, the abolitionist Frederick Douglass spoke:

> The whole history of the progress of human liberty shows that all concessions yet made to her august claims, have been born of earnest struggle . . .
>
> If there is no struggle, there is no progress. Those who profess to favor freedom, and yet deprecate agitation, are men who want crops without plowing up the ground, they want rain without thunder and lightning.
>
> They want the ocean without the awful roar of its many waters.

We could find no wiser counsel as we approach the historic transitioning of

Iraq to self-rule on June 30. Mr. Douglass' words which rang true in 1857 continue to do so through 2004. As one dark chapter closes and a new, brighter one is set to open in Iraq, we recall his words that the freedom of man has not yet been fully attained, nor is it freely conceded. There is a price to freedom's struggle that tragically includes loss.

In short, freedom is not free. As Iraq struggles to transition from dictatorship to democracy, we all suffer with the loss of each soldier. We all bear the pain of Iraqi men, women, and children suffering from terrorist attacks and Hussein holdovers. But not all shrink back from freedom's struggle upon hearing, feeling, and understanding its price.

The risks and travails of securing freedom are too easily forgotten by a complacent humanity. Yet, we do not need to leap back centuries to comprehend the expense of freedom's attainment. Just a few years ago, we understood that freedom has a price.

In 1983, the head of Solidarity in Poland, Lech Walesa, spoke of freedom's price when receiving his Nobel Prize:

> With deep sorrow I think of those who paid with their lives for the loyalty to ''Solidarity''; of those who are behind prison bars and who are victims of repressions. I think of all those with whom I have traveled the same road and with whom I shared the trials and tribulations of our time.

Nor did the struggle for freedom end with the cold war. In his 1999 address to NATO, Vaclav Havel of Czechoslovakia stated:

> The fact that a former powerful strategic adversary has disappeared from the scene does not, however, mean that in the world of today, human lives, human rights, human dignity, and the freedom of nations are no longer in danger. They are, unfortunately, still being threatened, and collective defence of the democratic states of the Euro-Atlantic sphere of civilization, therefore, still remains a valid concept.

History did not end with the end of the cold war. Yet, despite the attack of 9/11, some want to believe that history has ended, or that struggling for freedom is unnecessary or obsolete. They believe either that mankind enjoys all the freedom that it is due, or that freedom cannot be preserved or expanded by means of force or combat.

In either case, any would-be leader of the Free World cannot both profess such beliefs and still claim the determination to protect freedom in the post-9/11 world.

Not for this Nation, not for this time, and not for this struggle.

President Bush believes otherwise. He understands what Frederick Douglass meant when he said:

> Power concedes nothing without a demand. It never did and it never will . . .

While we have not yet witnessed the conclusion of this most recent struggle for freedom, we have seen the trials and tribulations this President faces.

I believe President Bush is trying to wage the War on Terrorism against unprecedented and incredible words and deeds of disunity here at home. Every citizen is ensured the right to dissent. Every President who volunteers to serve in that high office understands and is sworn to uphold that right to dissent. While this Nation has had great leaders who have stood at the helm through many challenges to our national security, I wonder if they could have been successful without the support of those who put the best for their Nation ahead of the best for their party. For such is the unique challenge to victory this President confronts. Consider a historical comparison of the challenges this President faces now against those of a President in our recent past.

In World War II, President Roosevelt stated the national goal of ''unconditional surrender.'' In the War on Terrorism, President Bush similarly outlined the national goal of ''regime change'' in Iraq. The paramount national goal in wartime should be a unifying force in any nation. In World War II, it was. Republicans echoed President Roosevelt's demand for the ''unconditional surrender,'' not just of Japan, but of Germany and Italy as well.

In the War on Terror, Democrats have echoed President Bush's call for ''regime change,'' but not in Iraq. Instead, they called for ''regime change here at home.'' Democrats contend it is the President of the United States, not the dictator of Iraq, that's the ''regime'' that needs toppling for the world to be safe.

Perhaps this is just political sloganeering, but can anyone imagine the Republican candidate for President in 1944 calling for ''unconditional surrender'' here at home? That would have spurred a firestorm of criticism and probably doomed the candidate. In 2004, it has helped a candidate secure his nomination for President. Many of these critics justify cries of ''regime change at home'' because they believe the war was unnecessary. They believe that after the terrorist attack of 9/11, the war on Iraq was a diversion from the ''real'' war on terrorism.

Shortly after Pearl Harbor, President Roosevelt announced a ''Germany First'' strategy. In his judgment, Germany was a greater threat than Japan because of its wealth, location, and advanced weaponry. It became the theatre of World War II that commanded most of the attention and resources in that war.

Shortly after 9/11 and the opening operations against al-Qaida's puppet government in Afghanistan, President Bush announced that Iraq was a grave and gathering threat because of its wealth, location, and advanced weaponry.

It therefore has become the theatre in the war on terrorism that demands our greater attention and resources. If today's critics had existed then, President Roosevelt's ''Germany First'' strategy would have been roundly criticized. Today's critics would have claimed Roosevelt had always wanted to ''get'' Germany. They would have claimed that his War Department had been planning war against Germany ever since the previous war. They would claim Roosevelt was engaging in a personal anti-fascism campaign that ignored and diverted attention from the search for the attackers of Pearl Harbor. He would be charged with making America less safe as he failed to focus all resources solely upon Japan. And if Roosevelt had listened to these critics, Britain would have fallen, and likely the Soviet Union too, and the Third Reich would have covered the better part of three continents—Europe, Asia, and Africa. A new Dark Age would have descended.

For those who might have felt the ''Germany First'' strategy in World War II was misplaced or that the entire Germany effort was an ''unnecessary war,'' one overwhelming discovery confirmed it was the right thing to do.

The horrific evidence of a holocaust was exposed at the end of the war. That gruesome discovery of wholesale genocide granted finality to the righteousness and sanctity that belonged to those who led and fought in the war against the Nazis. But the difference between now and then is that the Iraq holocaust does not justify our action; in fact, by many critics, it is not even noted. Think of that. Mr. President, 300,000 dead in Iraq and that is not a consideration for most critics of the war effort.

I defy anyone to show me where these critics devote even one sentence to this holocaust in the paragraphs and pages attacking this war as wrong, unnecessary, immoral, and unjust.

When did life become so cheap as to be irrelevant?

Thankfully, Roosevelt ignored his few misguided critics and this President should follow his lead. America needs the will of Churchill, not the waffling of Chamberlain. America needs leaders like Roosevelt and Reagan who recognized evil and were willing to call it by its rightful name. They knew the time to talk was over and the time to act was now, rather than never. Upon such will, such resolve, and such simple honesty lies the strength and endurance of our Nation and its precious freedoms. President Bush is a man of such mettle.

No one here or abroad doubts this President will act. He does not waffle, he does not double-talk, and he does not hide behind the timidity of others. Nor is he guided by his critics and their partisan agenda. He is a man for this time. Now, because of his leadership, on this June 30, the time has come for liberty to emerge from struggle and strife, and to again stride forward.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

## 60TH ANNIVERSARY OF D-DAY

Mr. FRIST. Mr. President, the hour is late, and I know we will be wrapping up in about 30 minutes or so. There is a lot of business with the recess tomorrow—and we will be in tomorrow—and we will be wrapping up tonight. It will take a while to wrap up. We will be doing that in about 30 minutes or so.

Thus, I would like to take a few minutes to come to the floor and take advantage of the time to talk about the fascinating trip I had the opportunity and the privilege to take about 3 weeks ago. I had the privilege of traveling to Normandy, France, to celebrate the 60th anniversary of the D-day landings.

That same week, as my colleagues know, we suspended business on the floor of the Senate to pay tribute to President Ronald Reagan—again, a wonderful week in that the messages were delivered and the tributes were shared.

In the midst of that, however, I did not have the opportunity to share with my colleagues some of my experiences from the D-day celebration in Normandy, France, and thus I would like to take this opportunity to do that.

This particular journey took with two of our colleagues, Senator BOB BENNETT and Senator JOHN ENSIGN. The three of us had a truly extraordinary experience. We spent the previous 2 days in Baghdad, Iraq, and in Kuwait, and then flew from Baghdad to the U.S.-French binational ceremony at Omaha Beach.

Back in 1944, in the thick of war, Fortress Europe was the strongest at this point, reinforced with layers of obstacles, mines, and gun positions with hardened bunkers. Some of those structures are still there today. You can see the remnants of others. These remnants stand today almost as ghostly reminders of those battles that I had the opportunity to hear described firsthand by the veterans who had come back for the celebration.

At Normandy, Nazi forces were commanded, as we all know, by none other than Field Marshal Erwin Rommel, the ''Desert Fox'' of North Africa fame who was regarded as the finest, the very best field commander in the German Army. He won practically every battle he enjoined. His defenses were considered impenetrable.

In the early morning of June 6, 1944—of course, that was the day so many years later that we were there—American soldiers, mainly from the 1st Infantry Division and 29th Infantry Division, landed at that beach we visited now several weeks ago. They were supported by the Army Air Force flying over and Naval gunfire. They struggled forward inch by inch, out of boats up the beach, as fellow soldiers were literally cut down one by one, wounded, and killed in this hail of enemy gunfire.

We have all read about what went on at that beach, but to have that opportunity to hear firsthand, as we walked along the ridge above that beach, from people who were there. Many of them had not talked a lot—at least they said they had not talked a lot about their experience. They seemed to open up as we were there. Many of them were there at the age of 16, 17, 18, or 19 years of age. And they all described the battle raging. Body counts swelled, and many expressed doubt that they would succeed—they described it as such—that every second seemed like an eternity.

It was clear that in spite of all this, soldiers, through boldness and through courage, persevered.

Further down the beach, the U.S. Army Rangers had scaled the cliffs at Pointe du Hoc and knocked out the German artillery positions that were there to disrupt any invasion force.

By the end of that blood-soaked day, our American boys had pierced that Atlantic wall. They seized their objectives. And, as history would prove, because we had the opportunity to celebrate, they launched the liberation of Europe.

Thousands of American soldiers perished in those few hours. Their heroism today is marked by the familiar pictures today with television and C–SPAN and video—the familiar pictures of all of those white crosses against that green grass and the Stars of David, all in very neat rows. Wherever you stand, you see them lined up parallel, horizontally and vertically, or diagonally. Wherever you stand, the symmetry jumps out at you. It goes on for acres and acres. I have no idea how big it is. But these crosses go on for acres.

There is a little path where the beach is right below. You can walk along these winding paths of the cemetery. As you do so—especially, I think on this day, when the sky was bright blue, the white crosses, the green grass—there were veterans by the hundreds and, indeed, by the thousands with their family members, with, obviously, their daughters, sons, grandchildren, and great-grandchildren huddling around them as they walked along those paths. One could not help but admire their bravery, their boldness at a time in their life when they were very young, at a time they had to be uncertain; they were far away from home, fighting a ruthless enemy. Each cross and each star, obviously, represents a young man, a young person who died on June 6th, 1944, defending his country.

The crowds would gather as we were there. A lot of people had come in. There was a lot of security at the gathering to hear President Bush and President Chirac. As the crowd gathered, we were seated amidst the sea of veterans. Usually they put the officials in one or two rows, separated, but, no, you would sit in the audience surrounded by scores and scores of veterans.

A few minutes ago I called Congressman CHARLIE RANGEL to talk about another bill we will be talking about later tonight. In that conversation I was reminded of the fact that 2 weeks ago he was there. He called me over to meet several veterans from New York. There was another woman, Grace Bender, a neighbor of mine in Washington, DC. I had no idea I would see her there. She was there a few rows away with her father, of whom she was clearly so proud.

The veterans were gathering with their buddies and with their family members, with their shipmates, with their fellow crewmen. Even after 60 years, they clearly regarded these colleagues, these comrades in arms, as brothers, bonds forged over that period of a day, weeks, and those months in the midst of this war.

I vividly remember standing for the national anthem. As we all stood up, the first people on their feet were those veterans, the ''greatest generation.'' They were the first to stand. I also noted, they were the ones who would be singing the loudest. They seemed to stand the tallest. Their love of country clearly had even grown over time.

President Bush spoke and delivered captivating remarks. President Chirac also delivered stirring remarks. They both recounted specific moments and acts of heroism on D-day. We honored those who gathered and we paid tribute to those who were no longer with us, the soldiers and the sailors and the airmen who had made that ultimate sacrifice for the cause of freedom.

The ceremony ended with a ceremony of honor guards. Again, my heart filled with awe and admiration to be able to walk with those veterans on that D-day celebration. They were then, and they clearly remain today, true heroes.

After the ceremony, my colleagues and I boarded a bus to the town of Bayeaux, a small French village that was spared the heavy fighting and bombing on D-day and of the weeks that followed. As we rode the bus through the countryside, we passed through beautiful green fields, hedgerows, and small towns of the French countryside that were showered in 1944 by the American paratroopers of the 101st and the 82nd Airborne Divisions, the night before those Normandy landings.

I specifically mention the 101st because this past weekend I had the opportunity to be in Clarksville, TN, and Fort Campbell, KY, and had the opportunity to witness an air show in which the 101st Airborne participated. You can see dramatically their training exercises.

While I was in Kentucky last week, again, I was thinking back to what happened in 1944 when these paratroopers of the 101st and 82nd Airborne Divisions paratrooped in the night before. Thousands of those paratroopers, as we all know, were killed. Many of them drowned. Many were wounded that night. Many were wounded on the

jump itself. The mission was specifically to jump behind enemy lines to distract the Nazis and seize important strategic or key terrain and to disrupt the Nazi reinforcements. Their heroism and success were ultimately crucial to the allied victories at Omaha Beach, at Juno, at Sword, and at Gold.

When we arrived in Bayeaux, we were greeted by the President of the French Senate. We had the opportunity to have lunch there with 33 members of their Senate. We also met with the town mayor, and many of the town citizens came out to speak of this. I don't speak French, but as I went over to the side and shook hands and introduced myself to an interpreter, immediately a smile came on their faces with an expression of appreciation and thanks.

Among the people we had the opportunity to meet were many survivors of war who had been small children at the time of the occupation. They did recall D-day and the American GIs who liberated their villages.

They treated us to a wonderful luncheon that day and, once again, representing America as officials, U.S. Senators from America, we were showered with praise and thanks, as well as a promise of continued friendship and alliance. This was a group of French Senators, so I did not expect that at the time, but that is what we received.

Our final event for the day was also very special. It was the multinational ceremony at Arromanches. We were joined by gatherings of heads of state from around the world, senior officials from countries around the world, and a number of our allied nations. We watched a whole range of demonstrations by various multinational military marching units. We had flyovers occur where a number of these nations demonstrated the very best of their aircraft in precision flights overhead. They had a wonderful multimedia presentation that combined the best of dance and video and audio to recount that history of World War II with a very special focus on Normandy.

During the final ceremony of the day, in which President Chirac delivered remarks, we did have the opportunity to reflect on those larger contours of the war and how America and her allies united to defeat tyranny and oppression.

As we sat among the survivors of D-day and as we listened to America's veterans recount their fears and exploits, I could not help but draw comparisons between the veterans of World War II and our proud troops serving abroad today, the very same troops which 2 days prior my colleagues and I had the opportunity to visit in Baghdad and in Kuwait. The parallel is there, not just because of the temporal relationship, but because of both groups' commitment to freedom and democracy and to a better life for others.

America was blessed in World War II on that June 6th, so long ago, yet so close, as it is now, to have the very same soldiers who have that strong character, who have that courage, that boldness, and that determination. Young patriots, then, as now, answered the call of duty, and through their bravery and through their selfless determination, they fought and they won the battle for freedom and security.

It was these traits that inspired a whole succession of American Presidents, including the late President Reagan to whom we paid tribute 2 weeks ago. He believed in a Europe and a world whole and free of the shadow of communism. The ''greatest generation'' threat involved nazism and fascism. For nearly 50 years, America confronted another hegemonic ideology, that being communism. Under the leadership and vision of President Reagan, we emerged from the cold war victorious and, as Margaret Thatcher rightly reminds us, without firing a single shot.

Today, we do fight a different enemy, but one that is no less ruthless, no less determined, no less uncompromising than our enemies of those wars past.

Once again, we must stay the course. Once again, we must have faith in our Armed Forces. Once again, we must hold tightly to the belief that freedom will prevail. That is our challenge. That is our calling. And I truly believe, like generations before us, we will look evil squarely in the eye, and we will not flinch, we will not run. We will gather up our courage to press forward. We will gather up our courage to press forward and defeat the forces of terror and secure the blessings of democracy.

## AFRICAN GROWTH AND OPPORTUNITY ACT

Mr. FRIST. Mr. President, on a separate issue, I want to comment on an issue I mentioned this morning in opening the U.S. Senate, an issue that centers on something very close to my heart, and that is the continent of Africa.

I have had the opportunity to travel to Africa this year, to a number of African countries, and the year before that, and the year before that, and the year before that. Indeed, I have had the opportunity to travel to the continent of Africa yearly for the last several years.

In each case, with maybe one or two exceptions where I went as an official, I have had the opportunity to travel to Africa as part of a medical mission group, where I have the real privilege of being able to interact with the peoples of Africa—whether it is in Kenya, or Tanzania, or Uganda, or the Sudan; the Sudan is where I usually go—by delivering health care and medicine, and performing surgery, which is what I happen to do when I visit with peoples who might not otherwise have access to that health care.

I mention that only because it allows me to be able to talk to real people, not just as an official or a VIP coming in, not as somebody wearing a suit from the United States of America, but to have the opportunity to interact with real people in that doctor-patient relationship. I say doctor-patient relationship; really it is a friend-to-friend relationship. You hear stories, and you really cut through superfluous aspects of people's lives and go right to the heart of what affects them in their lives.

It really comes down to how they can provide for their families, how they can get a job, how they can earn an income, and how they can, in a very primitive way but a very real way, make the lives of their children better than theirs—the same desires we all have as Americans.

I am talking about people in the bush, people in the heart of Africa, people 1,000 miles south of Khartoum and 500 miles west of the Nile River, way in the bush. When you talk to people, you realize they struggle with the exact same things we do, and that is, dignity; that is, a concept of self-worth.

Also, I had the opportunity to travel to Uganda and Kenya and throughout East and Central Africa. What people will tell you is that policy in the United States makes a difference in their lives; that is, policy over the last several years. You may ask them: How do you know what we do? They know that a bill that was passed on the floor of the Senate and the House of Representatives not too many years ago, signed by President Clinton, called the Africa Growth and Opportunity Act, has made a difference in their lives.

Indeed, that particular act, passed by the Senate, has created at least 150,000 jobs. When President Museveni from Uganda was here, he said, no, it is more than that. It is 300,000 jobs. But the point is, thousands and thousands of jobs have been created in Africa because of legislation that passed on this floor. And a little bit later tonight, hopefully in a few minutes, it will be passed on this floor once again.

I mentioned a few minutes ago I called Congressman CHARLIE RANGEL. I did that to congratulate him because he has spearheaded, along with many of his colleagues in the House of Representatives, this particular bill, a bill that is called H.R. 4103, the AGOA Acceleration Act of 2004. AGOA simply stands for African Growth and Opportunity Act.

The bill we will be addressing here tonight extends the AGOA preference by 7 years, from 2008 to 2015, and, more importantly, it extends the third country fabric provisions that were due to expire this year for another 3 years.

The African Growth and Opportunity Act authorizes the President to provide duty-free treatment for certain articles imported from sub-Saharan African countries. It also provides duty- and quota-free access to the U.S. market for apparel made from U.S. fabric, yarn, and thread.

The program has been a huge success for U.S. policy toward sub-Saharan Africa. AGOA has helped expand African

trade. It has created jobs, as I mentioned. It has brought about improvements in economic conditions that will be realized in a very sustained way throughout Africa. Expanded trade, as we all know, not only helps sub-Saharan African countries develop this sustainable economic base, but it also leads to efficient government practices, to transparency, and to political stability.

U.S. exports to sub-Saharan Africa increased 13 percent from 2002 to 2003. It has created jobs. The United States, today, is sub-Saharan Africa's largest single export market, accounting for 26 percent of the region's total exports in 2001 alone. U.S. imports under AGOA have almost doubled between 2001 and 2003—up to the 2003 level of over $13 billion.

One African leader described the program as ''the greatest friendship act'' by the U.S. Government towards Africa. In fact, the program has been so well received and effective in Africa that the European Union is now reexamining its preference program for Africa in light of AGOA's success.

So, Mr. President, I am pleased that we are going to address this legislation tonight. Again, having spent so much time in Africa, it is with great pride that I congratulate my colleagues for addressing this important issue tonight.

## THIS WEEK IN THE SENATE

Mr. FRIST. Mr. President, it will still be a few minutes before we close tonight, and I do want to take the opportunity to thank my colleagues for all the tremendous work they have done over the course of this week. It has been a very busy week. But tomorrow we will be leaving on a recess for several days for the Fourth of July, and we can look back over the course of the past week with the satisfaction that we accomplished passage of a number of bills I will mention in a few minutes.

But two very significant pieces of legislation that address where the focus of the United States is and should be—and that is, the defense of our country, and the support of our troops overseas and the support of our troops here—are the Defense authorization bill, with passage yesterday, and the Defense appropriations bill, with passage today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## POLITICS OF COMMON GROUND

Mr. DASCHLE. Mr. President, I want to talk, if I can, about another matter to which I have given a great deal of thought. I would like to share some thoughts with my colleagues on it this afternoon.

I would like to begin by referencing a trip I took last weekend. I traveled to Kuwait, Jordan, and Iraq with Senators BIDEN and GRAHAM. We went to Baghdad to talk with coalition and Iraqi leaders as they prepare for the historic transfer of sovereignty to Iraq 6 days from today. We went to thank our troops who are making enormous sacrifices, braving extraordinary risks every minute of the day. We wanted to assure them they have the support and respect of every Member of the Senate and all Americans.

Our trip was especially productive because of the experiences and insights of the Senators with whom I traveled. Senator JOE BIDEN, the ranking member of the Senate Foreign Relations Committee, has been a leading voice in the Senate on foreign policy issues for now almost a quarter century.

Senator LINDSEY GRAHAM has quickly established himself as one of the most authoritative and independent voices on the Senate Armed Services Committee. Senator GRAHAM, as we all know, is a colonel and a Reserve judge in the Air Force Court of Criminal Appeals. He and I have been working together for more than a year to improve health care benefits to National Guard members and their families. I know from working with him on the TRICARE bill that he is fiercely committed to American troops and American veterans.

LINDSEY GRAHAM is a proud Republican. JOE BIDEN and I are proud Democrats. But we are all, first and foremost, proud Americans. We are all committed to the safety of our troops. We all want the Iraqi people to succeed in building a stable, free, and pluralistic Iraq. It is in their interest, but it is also in America's interest and, I would argue, the world's interest.

Our trip to Iraq reminded me again how much this Senate and the American people benefit when we are able to focus on the problems that unite us.

No one who saw it will ever forget the cloudless, deep blue sky on the morning of September 11. Pilots have a term for visibility conditions on days like that—they call it ''severe clear.''

We all saw it clearly that day. We saw horrific acts of inhumanity, but we also saw, with equal clarity, countless acts of nobility and compassion. We saw beyond the labels of race, income, gender, and the other distinctions that too often divide us.

We are more alike than we are different. All Americans want to live in a world that is safe and secure and just. Whether we're Republicans or Democrats, or don't care one whit about politics, all Americans want to be able to earn enough to care for our families' basic needs. After a lifetime of working hard, all Americans want to be able to retire with dignity and security. All Americans need affordable health care. All Americans want to be able to send their children to good schools; that is not simply a Democratic or Republican aspiration, it is a necessity for our children's future and the economic, political, and social well-being of our Nation.

These are dangerous and challenging times, but Americans have faced danger and challenges before, and we must always remember that we have emerged stronger when we have faced those challenges together. We are stronger together than separately.

This afternoon, I want to talk about how I believe the Members of the Senate can work together more constructively to solve the big challenges facing our country today.

The result of all-or-nothing politics is too often nothing. We owe the American people better than that.

I believe in what I like to call the Politics of Common Ground. Practicing the Politics of Common Ground does not mean betraying one's principles. We can bend on details without abandoning our basic beliefs. The Politics of Common Ground is pragmatic, not dogmatic. It recognizes there can be different ways to reach the same goal. It puts our common interests ahead of personal or partisan interests. Instead of narrow ideological victories, the politics of common ground seeks broad, principled compromise.

I recognize some people may think this timing is strange, to talk about searching for common ground now in the midst of campaign season. But I actually believe it is exactly the right time.

The truth is, no one knows which party will control the Senate next year, or the House, or the White House, so neither party can be accused of embracing these ideas for partisan advantage.

The Politics of Common Ground rests on four fundamental commitments. Obviously it takes at least two to seek common ground. Neither party can make these principles work alone. If Democrats hold the majority in the next Senate, these are the four fundamental principles by which we would seek to govern:

First, deal in good faith with the executive branch, regardless of which party holds the majority.

Second, preserve and fulfill the historical role of the Senate regarding budgetary responsibilities, oversight, and advice and consent on nominees, regardless of which party holds the majority.

Third, respect the rights of the minority and seek to work in good faith with them.

Fourth, end the cycle of partisan retaliation.

This week marks the 40th anniversary of the passage of the 1964 Civil Rights Act, one of the greatest common ground victories in our Nation's history.

It was a Democratic President, Lyndon Johnson, who signed the Civil

Rights Act, but it was a courageous Republican leader, Senator Everett Dirksen, who provided the political leadership that finally ended the years of opposition and put the civil rights bill on the President's desk.

There are some today who believe the only way to move America forward is to ignore or change the rules of the Senate. What their arguments fail to recognize is the Founding Fathers deliberately designed this Senate to protect the rights of the minority. They did so because they understood that the only way to make just and lasting change in a democracy is to first build broad support for it. They also understood, as Everett Dirksen said in calling for the vote on the Civil Rights Act, that nothing can stop an idea whose time has come.

Finding common ground requires that we follow the rules of the Senate, not ignore or rewrite them.

It requires that all Senators—whether they are in the majority or minority—be treated fairly. That means safeguarding the rights of every Senator. It means establishing fair representation on all Senate committees. And it means observing the traditional procedures for conference committees concerning the appointment of conferees, and the right of all conferees to participate fully in all meetings. A closed meeting that is a conference committee in name only is no place to look for common ground.

Finding common ground also means listening to each other.

Someone who was a good friend to many of us, Senator Pat Moynihan, used to blame television for what he saw as a decline in cross-party cooperation in the Senate. Before TV, he said, Senators from both parties used to spend their evenings talking to each other. It helped to see things from the other person's perspective.

I would like to see the Senate create more opportunities to increase cross-party understanding.

Next year, I would like to see the Senate hold bipartisan leadership meetings every 2 months at least, and bipartisan joint caucus meetings at least every quarter.

I would like to see us hold periodic, bipartisan policy forums for all Senators in the Old Senate Chamber, where the Missouri Compromise and other historic agreements were reached.

When Senator LOTT was majority leader, he established the Leaders Lecture Series to draw on the wisdom of former Senate leaders, from Mike Mansfield and Senator BYRD to Robert Dole and George Herbert Walker Bush.

The Leaders Lecture Series represents one of the most insightful seminars ever taught on common ground politics.

I would like to see us build on that success next year by inviting former Senate leaders to a summit where they can share their ideas with us, and with each other.

Senators DORGAN and KYL had a good idea recently to hold occasional, thoughtful, Lincoln-Douglas style debates here on the Senate floor on the most important issues of the day. Let us build on those debates next year.

President Reagan was as ideological a President as any of us have ever seen. But he understood that political adversaries don't have to be enemies.

He and Tip O'Neill had a rule: after 6 o'clock, they were always friends.

Something as simple as just getting our families together once in a while for a barbecue or a potluck supper—or even choosing an annual charity to which all Senators could contribute—could help Senators find common ground, I think, and may strengthen the bonds of friendship and trust between our two parties.

In addition, I would like to see the Senate reward the search for common ground solutions by giving special consideration to bills with strong bipartisan co-sponsorship.

There are questions of enormous consequence facing our Nation today—questions that will define what kind of Nation we are, and what sort of future we will leave for our children.

How de we balance freedom and security in a post-September 11 world?

How do we keep the good jobs we have and create more of them in a global economy?

How do we craft a national budget that reflects our national values?

How can we reduce our over-reliance on imported oil so the fate of our Nation is not tied so directly to the stability of some of the most dangerous and volatile places on Earth?

Last year, I got a note from a father in South Dakota who had lost a good-paying job as a machinist 2 years earlier when his employer moved out of state. He was working as a handyman, earning a fraction of his old income. The only health insurance he and his wife could afford had such a high deductible that they tried never to use it. He hadn't seen a doctor in 15 years or a dentist in 10 years. He felt ashamed. The worst part, he said, was having to tell his children, when they got sick, that there was no money for a doctor.

Because Republicans and Democrats in Congress had the courage to practice the Politics of Common Ground 7 years ago, I was able to tell that father about the Children's Health Insurance Program.

Today, if his children are sick, he takes them to the doctor. As he puts it, ''I show the people in the doctor's office that card and I'm treated like a human being. It's the greatest thing in the world.''

Across America today, the CHIP program is providing health insurance for nearly 4 million children from low-income families, and peace of mind for their parents. More than 9,300 children in South Dakota have health coverage through CHIP.

How can we now build on this common ground success? How do we make health care more affordable so that exploding health care costs don't break family budgets and eat up corporate profits that could be better used to create new jobs and invest in new plants and equipment?

We can chose to shrug our shoulders and say that the divisions in Congress simply reflect the increasing polarization in our society—and let it go at that. But I believe we have a higher responsibility. If society is divided, it is the responsibility of leaders to try to bridge the divide, not simply mirror or exploit it.

The Politics of Common Ground is the Politics of Common Good. It is more than a political challenge; it is a moral imperative.

Last weekend in Iraq, Senators BIDEN and GRAHAM and I met with members of the new Iraqi government, with Paul Bremer, the head of the Coalition Provisional Authority, and with senior military leaders. They were all impressive.

But the people who inspired me most were the soldiers.

We were helped by National Guard members from Minnesota, Kansas, Illinois and Texas, and we met troops from Mississippi, South Carolina, Delaware and other states. In fact, we met extraordinary people from almost every state. Every one of them deserves our profound appreciation.

I was especially moved by the dozens of South Dakotans I met.

One of those South Dakotans is a member of the South Dakota National Guard's 153rd Engineer Battalion. Home for him is a small family farm in South Dakota. But these days, his unit is deployed to Baghdad International Airport. He and his unit provided security for our delegation in Baghdad. When we left, he handed me a letter that reads, in part, ''I am very proud to fight and to serve my country, like so many of my relatives before me.''

He went on, in that letter, to talk about the challenges he and his family face today. He didn't want his wife and their teenage children to have to bear the burden of caring for the family's cattle while he was gone, so he sold the entire herd when he was deployed. When he returns—which may not be until sometime next year—he will buy the herd back. But he and his family will still be out 2 years' worth of income they would have earned from their cattle. He wasn't complaining. He just wanted us to know.

I met another soldier from South Dakota who is with the Army's First Cavalry Division. They have a dangerous mission: securing Baghdad. But he and the other members of the First ''Cav'' aren't complaining, either.

I met a family practice doctor who grew up in Rapid City. Today, she is healing the bodies and saving the lives of U.S. troops and Iraqi civilians at the Combat Support Hospital in Baghdad.

Finally, I got to eat supper in Kuwait on Saturday with a group of men and women whose families I have been

working with for months: the members of the South Dakota National Guard's 740th Transportation Unit.

Two months ago, the members of the 740th had already packed their bags when they got word that their tour was being extended. It was their second extension.

They have now been deployed for 14 months—2 months longer than they were told was the longest they would be gone when they left South Dakota.

When I asked one soldier at super if they had been given a new date to return home, he told me ''the second.'' I thought he meant their tour was ending on July 2nd. Then he explained, they will know when they are coming home the second they get on the plane.

Even these soldiers were not complaining—just trying to find a little humor in a tough situation.

Pride in one's party and the principles for which it stands is admirable. But there are causes that matter more than political parties.

There the values and hopes that transcend party labels and unite us all as Americans—so eloquently again related to me in conversations I had with those soldiers.

During campaigns, candidates and parties should be clear about where we stand on the issues and how we differ with our opponents so that voters can make a choice. That is part of the campaign. That is an essential part of democracy.

But we also have a responsibility to work together constructively, where we can, to find common ground.

Making the principled compromises necessary to make democracy work takes effort. It takes patience and trust and, often, a little humility.

It requires that we listen to others and admit that someone else just might have a better idea sometimes.

It's not simple or easy. But if our troops can give the extra measure of devotion and risk their lives because our Nation asks them to, surely we can make the extra effort to find solutions to the problems facing these soldiers' families, and all Americans—both in times of peace and war.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Arkansas.

Mr. PRYOR. Mr. President, I echo the sentiment and the words of the minority leader today. I applaud him for bringing up this initiative, the politics of common ground. When I think about the term ''common ground,'' sometimes I think about the concept of compromise. When we think about compromise, we know that means finding common ground without sacrificing your principles.

One thing the distinguished Senator from South Dakota is talking about is that we all have our differences. Lord knows, we have a lot of differences just on this side of the aisle. Trying to get on one page a lot of times is nearly impossible.

Certainly we have our differences in this body. That is OK. If you think about it, that is exactly the way the Founding Fathers intended it to be. They wanted Members to come here and do battle in the Senate and talk about ideas and concepts and policies that we all believe are good for our Nation. We may have different approaches on different issues, but certainly at the end of the day we should all work together, shake hands, and move on to the next issue.

When I was running for the Senate, one thing I heard from people all over my State, the State of Arkansas, was: There is too much partisan bickering in Washington. In fact, they would tell me when I traveled around the State, it looks a lot like trench warfare in Washington. The two sides are dug in, shooting at each other, but at the end of the process not a lot gets done, although there are a lot of casualties. People all over the country sense that. They know that.

As a Democrat in this Senate, I felt aggrieved by some things the other side has done. I have no doubt they feel aggrieved about some of the things we have done. It is incumbent upon Senators to put the past behind us, put all that aside, move forward, do what is right and do what is best for this Nation.

I hope this Senate will return to the best traditions of our democracy. I hope we will find it within ourselves to wipe the slate clean and accept today as a new day, with this initiative, the politics of common ground as our guiding principle.

One thing I love about the statement by the minority leader, he used words such as ''good faith'' and ''respect,'' words that we need to take to heart as Senators. He talks about ending the cycle of partisan retaliation. Is there ever a time in our history more than today that we should do that? I don't think so. We need to end that cycle of partisan retaliation. We do not only owe it to our Founding Fathers who founded this democracy—and we occupy the seats they established—we not only owe it to the history of this Nation; we owe it to our children and our grandchildren. We also owe it to the people we work for, the people who sent us to Washington, to do their work for them.

There are many core principles in our democracy, principles that are indispensable. One of those principles is the idea of representation. Like it or not, the people of Arkansas sent me to Washington to represent them in this great body. Like it or not, people sent all 100 of us to represent them in this great body. I certainly hope each and every Senator will find it in their heart, find it in their mind to respect the will of the people from other States and respect the office each Senator has and the responsibility he or she has to represent his or her people to the best of his ability.

To make things better in this Senate and in this Congress and in this Government, quite frankly, it has to start with the majority party. We do not know in 7 months which will be the majority party in the Senate or in the House. We do not know who will be in the White House. But it is incumbent upon us that whoever is in the majority party should lead by example. They should demonstrate their leadership by demonstrating forgiveness. We need to say no to the politics of revenge. We need to return to our first principles, turn back to the things that make this country great.

We talk about respecting the rights of the minority in the politics of common ground. This body definitely, certainly, absolutely should respect majority rule but also we should respect minority rights. In fact, this body was created at the foundations of this country. This body was created to protect the minority. That is why small States such as Delaware and New Hampshire get equal representation in the Senate, as equal as much larger States such as New York and Virginia. We are all equal in this body, all 100 of us, all 50 States.

I hope we will follow this politics of common ground. In essence, it can be summarized by one thing, and that is to do right. That is what we need to see more of around here.

One thing I like about the minority leader's proposal is that we acknowledge we cannot change the world. We know that. We cannot raise a magic wand and make it better. My grandmother, Susie Pryor, said you cannot clean up the whole world but you can clean up your little corner.

I hope today Democrats, Republicans, and Independents will take the responsibility to clean up our little corner of it. Let's clean up the Senate and return to politics of common ground.

I yield the floor.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. I thank the distinguished Senator from Arkansas for his eloquent statement for being part of the inspiration for this proposal creating the Politics of Common Ground.

I will tell my colleagues, as I began thinking through many of these particular ideas and the suggestions we have now made, it was the Senator from Arkansas who was extraordinarily helpful and who had many creative ideas and thoughts on how we might discuss this matter and make these proposals.

I acknowledge the Senator's important contribution and thank him for his statement and appreciate the tone he has helped create virtually since he has arrived in the Senate. He believes in the Politics of Common Ground—but for him it is more than just words; it is deeds. He has again demonstrated that this afternoon. I am grateful.

DEBT BURDENS AND PREDATORY LENDING

Mr. AKAKA. Mr. President, I rise today to focus on the challenges facing America's working families. Rising health care costs, increases in gasoline prices, and the lack of affordable housing have contributed to making the lives of working families more difficult as they strain to meet their day-to-day needs. The ability of these families to meet their increasing financial obligations is hampered by their significant debt burdens, particularly credit card debt, and by predatory lending practices such as refund anticipation loans.

Mr. President, too many families are becoming overwhelmed by their debts. In 2003, consumer debt increased for the first time to more than $2 trillion, and continued to increase in March, 2004, for the 12th straight month according to the Federal Reserve. A key component of household debt can be attributed to the use of credit cards. Revolving debt, mostly comprised of credit card debt, has more than doubled from $313 billion in January 1994 to $756 billion in March 2004. These debt burdens will increase as interest rates rise. Bankruptcy filings have surged to record levels. In 2003, more than 1.6 million consumers filed for bankruptcy, increasing by 2.8 percent in the 12 months ending on March 30, 2004. Many of these are middle class Americans who continue to work hard to make ends meet.

It is imperative that we make consumers more aware of the long-term effects of their financial decisions, particularly in managing their credit card debt. Obtaining credit has become easier. Students are offered credit cards at earlier ages, particularly since credit card companies have been successful with aggressive campaigns targeted towards college students. Universities and alumni associations across the country have entered into marketing agreements with credit card companies. For example, the University of Oklahoma will receive $13 million over 10 years in exchange for the exclusive ability to market credit cards to students, alumni, and employees, and to issue cards with the university's name. In this agreement, the school also receives 0.4 percent of every credit purchase. More than 1,000 universities and colleges have affinity cards which are made as attractive as possible through the opportunity to earn various benefits and discounts. College students make up a very ripe market for such credit and to boot are considered by some very good customers for lenders based on their payment patterns. Nina Prikazsky, Nellie Mae's Vice President of Operations, was quoted in the Chronicles of Higher Education as saying, ''Banks will take risks on young people the way they never would a decade ago, because they've discovered that students have become their best customers because they tend to make the minimum payments.'' Thus, college students, many already burdened with educational loans, are accumulating credit card debt. Forty-five percent of college students carry credit card debt, with the average debt over $3,000.

While it is relatively easy to obtain credit, especially on college campuses, not enough is being done to ensure that credit is properly managed. Currently, credit card statements fail to include all of the information necessary to allow individuals to make fully informed financial decisions. Mr. President, I recently introduced S. 2475, the Credit Card Minimum Payment Warning Act, along with Senators DURBIN, LEAHY, and SCHUMER. Our legislation will make it very clear what costs consumers incur if they make only the minimum payments on their credit cards. The personalized information consumers will receive for each of their credit card accounts will help them to make informed choices about the payments that they choose to make towards their balance.

The bill also requires that credit card companies provide useful information so that people can develop strategies to free themselves of credit card debt and have access to a toll-free number so that consumers can access trustworthy credit counselors. My bill represents sound legislation that aims to protect middle income and other families in this country.

Mr. President, the ability of families to survive financially is also hampered by predatory lending. Earned income tax credit, EITC, benefits intended for working families are increasingly being reduced by the growing use of refund anticipation loans, which typically carry triple digit interest rates. According to the Brookings Institution, an estimated $1.9 billion intended to assist low-income families was received by commercial tax preparers and affiliated national banks to pay for tax assistance, electronic filing of returns, and high-cost refund loans in 2002. The interest rates and fees charged on refund anticipation loans are not justified for the short length of time that these loans cover and the minimal risk they present. These loans do not carry much risk because of the Debt Indicator program. The Debt Indicator is a service provided by the Internal Revenue Service that informs the lender whether or not an applicant owes Federal or State taxes, child support, student loans, or other Government obligations, and this assists the tax preparer in ascertaining the applicant's ability to obtain their full refund so that the RAL is repaid. The Department of the Treasury should not be facilitating these predatory loans that allow tax preparers to reap outrageous profits that result from the exploitation of working families. More needs to be done to crack down on abusive refund anticipation loans and to provide additional opportunities for EITC families to access free tax preparation services. I appreciate the efforts of the Senate Finance Committee for incorporating several provisions of S. 685, the Low Income Taxpayer Protection Act, which Senator BINGAMAN and I introduced, into S. 882, the Tax Administration Good Government Act. One provision of special importance to me is an authorization for a grant program to link tax preparation services with the establishment of a bank or credit union account. Having a bank account allows individuals to receive their tax refund check faster than waiting for a paper check and without the need for using refund anticipation loans or check cashing services. It is important these provisions to provide additional consumer protections and expand opportunities of taxpayer assistance be enacted into law. We must work to provide alternatives to RALs and crack down on these exploitive loans.

Mr. President, unfortunately too many working families are susceptible to predatory lending because they are left out of the financial mainstream. Between 25 and 56 million adults are unbanked, or not using mainstream, insured financial institutions. The unbanked rely on alternative financial service providers to obtain cash from checks, pay bills, send remittances, utilize payday loans, and obtain credit. Many of the unbanked are low- and moderate-income families that can ill afford to have their earnings unnecessarily diminished by their reliance on these high-cost and often predatory financial services. In addition, the unbanked are unable to save securely to prepare for the loss of a job, a family illness, or a down payment on a first home or education expenses.

Mr. President, a Federal program, the First Accounts program, is intended to increase access for unbanked low- and moderate-income individuals to mainstream financial services. The program helps to offset the costs financial institutions incur in offering low-cost, electronic banking accounts. In addition, the program supports financial institution and nonprofit initiatives to provide financial education and counseling to low-income households. The First Accounts program has the potential for developing research into the financial services needs of low-income individuals and financial products designed to meet these needs. While the need is great, the President proposed in his fiscal year 2005 budget request to rescind the $4 million for the First Accounts program that had been previously appropriated in fiscal year 2002 and fiscal year 2003. I will continue to work with my colleagues to help preserve these funds for their intended purpose and bring people into the financial mainstream.

Mr. President, I look forward to continuing to work with my colleagues to help provide additional meaningful disclosure to consumers about their use of credit and expanding access to mainstream financial service opportunities. We owe it to our country's working families and their children.

## TRIBUTE TO MANNY CORTEZ

Mr. REID. Mr. President, I rise to pay tribute to a man who has had a tremendous impact on southern Nevada, my good friend, Manny Cortez.

I haven't known Manny for years; I have known him for decades. In the 1970s, when I was in State government in Nevada, he was elected to the Clark County Commission. Since those days our paths have crossed many times. He has served on the board of governors of the University Medical Center, the Las Vegas Valley Water District, and other local agencies.

For the past 21 years, he has been the driving force behind the Las Vegas Convention and Visitors Authority—first as a member of the board of directors, and for the last 13 years as President.

It is no exaggeration to say that Manny Cortez is one of the visionaries who made Las Vegas what it is today—the convention and entertainment capital of the world.

In 1991, the year he assumed the leadership of the Convention and Visitors Authority, we had about 21 million visitors in southern Nevada. This year we are on track to almost double that number, with more than 37 million visitors. This is due in no small part to the brilliant promotional campaigns of the Convention and Visitors Authority.

Under Manny's watch at the LVCVA, our town has seen amazing changes. When he took the helm in 1991, the first of the new mega resorts, The Mirage, had just opened a few years earlier. We had about 73,000 hotel rooms in Las Vegas.

Within the next few years we witnessed the completion of other major resorts, including the MGM Grand, Bellagio and Mandalay Bay. Today, we have 130,000 hotel rooms, along with three major convention centers.

When our Nation was attacked by terrorists on 9/11, the tourism industry took a serious hit. But Manny didn't panic, and under his steady leadership, Las Vegas bounced back.

Manny has been honored many times, by many groups. Travel Agent magazine named him as its Person of the Year in 1999, calling him ''one of the most astute marketers in the tourism industry.'' He was recently named to the U.S. Commerce Department's Travel and Tourism Advisory Board. But I think the recognition that means the most to Manny is the Clark County Elementary School that was named in his honor in 1999.

Manny has also been a leader of the Hispanic community in Las Vegas. His prominence in the city has sent a clear message that in southern Nevada a person can go as far as their dreams and their talent will take them.

Manny has lived in Las Vegas since 1944, when I was growing up down the road in Searchlight. I feel like I have known him all my life. So it is hard to believe he turned 65 a few months ago and that he is retiring at the end of this month.

It is true, though. Manny is leaving the LVCVB, but he is leaving it in good hands. He recently said that his biggest challenge over the last few years has been to stay out of the way of the great team he has assembled, so they could do their jobs. That is the kind of attitude that has made Manny Cortez such a beloved figure in our community.

I salute my old friend on his retirement, and I look forward to our paths crossing for many more years.

## THE DONALD W. REYNOLDS FOUNDATION

Mr. REID. Mr. President, I rise today to recognize the Donald W. Reynolds Foundation for its strong commitment to preserving our Nation's artistic and cultural heritage.

Three years ago, as a gift to the Nation, the Donald W. Reynolds Foundation generously made possible the acquisition of Gilbert Stuart's iconic ''Lansdowne'' portrait of George Washington for the Smithsonian's National Portrait Gallery, which will reopen on July 4, 2006. In doing so, the Reynolds Foundation not only saved a national treasure but also provided a permanent home where future generations can appreciate this American masterpiece.

The Reynolds Foundation also made possible a 3-year, 8-city tour of the painting. This tour, which visited Las Vegas 2 years ago and is currently in Little Rock, has allowed millions of Americans to personally view a painting that is part of our national heritage.

By providing guides for teachers, newspapers for students, reproductions, reenactors, and history lessons about George Washington, the Foundation ensured an enriching educational experience for young people.

The exhibition of this painting at the Las Vegas Art Museum was not the first time that the generosity of the Reynolds Foundation enriched the lives of Nevadans. The Foundation has given millions of dollars to create the Donald W. Reynolds School of Journalism and Center for Advanced Media Studies at the University of Nevada, Reno, and the Donald W. Reynolds Student Services Center at the University of Nevada, Las Vegas. It has also supported medical research and health and human services programs.

It is my honor to recognize the Donald W. Reynolds Foundation's many charitable actions. Please join me in thanking the foundation for its generous gift to our Nation.

## CONGRATULATIONS TO STAN COLTON

Mr. REID. Mr. President, I rise to pay tribute to Stan Colton, a man who has dedicated his life to serving the people of Nevada.

Stan hails from my hometown of Searchlight. In fact, he lives there today, on the same property that his grandfather and father owned. He runs a little grocery store and he owns the town's original gold claim, the Duplex.

Stan has served the people of Nevada in many different capacities. He was administrative coordinator in the Clark County District Attorney's office, the Voter Registrar of Clark County, and the Nevada State Treasurer.

After he left the Treasurer's office, Stan worked with the Las Vegas—Clark County library district, where he managed the capital construction program that built 21 new libraries. He retired from that job but came out of retirement a few years ago to help the city of Henderson build a new library.

Stan has also been active in many civic groups, most recently as the President of the Henderson Rotary Club. He is stepping aside on Friday evening, and the members of the club will gather at that time to give him a good sendoff and share their stories about Stan.

Please join me in thanking Stan Colton for his service to the people of Nevada and the Henderson Rotary Club.

## CINDY REID BIRTHDAY WISHES

Mr. REID. Mr. President, families are important to each of us. When you have children, one thing you wish for is that they will marry someone who will fit comfortably into your family.

My daughter-in-law Cindy is celebrating her 40th birthday. She has become such an important part of the close-knit Reid family that I can't imagine what our lives would be like if my son hadn't married her.

Cindy has been a loving and thoughtful partner to my son Rory, and a wonderful mother to my grandchildren, Ryan, Savannah and Mason.

She is an excellent teacher for her children, and a professional college teacher as well. She is a perfectionist of sorts, and when she sees a problem, she doesn't complain . . . she solves the problem.

Cindy's appreciation of literature is a goal I seek. And her opinions about food, music, movies and politics are always insightful.

One of the great blessings of having Cindy in our family has been the opportunity to become friends with her unique and wonderful mother, Helen, and her thoughtful and considerate father, Dean.

On this the celebration of two-score years, Landra and I wish Cindy a world of health and happiness, and the knowledge that she has our support and never-ending love.

## ENSURING QUALITY AND ACCESS TO CANCER CARE ACT OF 2004

Mrs. HUTCHISON. Mr. President, I rise today to bring attention to concerns related to cancer care reimbursement.

Today, many oncology services are paid for through drug administration reimbursement because most are not

covered by Medicare. These services include specially-trained oncology nurses and supportive care services important to performing first rate cancer care. Although the new Medicare law increases reimbursements to physicians and provides much needed compensation for oncology nursing, it reduces how much Medicare will reimburse for chemotherapy beginning in 2005. While I support the sound and innovative advancements the Medicare law provides, it is important not to jeopardize cancer care through decreases in reimbursements.

Congress understood the impact the Medicare law would have on patient access and included a temporary one-year increase in physicians' practice expenses. However, this provision will expire in 2005 and could reduce access to care.

The ''Ensuring Quality and Access to Cancer Care Act of 2004'' would extend the one-year transitional period already established in the law for an additional year. It allows a compromise so Congress has the time it needs to further debate this issue, ask important questions regarding the impact of payment reductions and better understand how Medicare should reimburse for services provided to cancer patients.

## U.S. COMMISSION ON OCEAN POLICY

Mr. HOLLINGS. Mr. President, I rise today to again acknowledge the important work and contributions of the U.S. Commission on Ocean Policy. The Ocean Commission, consisting of 16 distinguished individuals, was established by the President pursuant to the Oceans Act of 2000, legislation I sponsored to bring special attention to the problems facing our oceans and coasts, and to lead to recommendations for a new national ocean policy. The Oceans Act directed the Ocean Commission to submit a report to Congress and the President of its findings and recommendations regarding national ocean policy. Exactly one month from now, the Ocean Commission will release its final report, which reflects the deliberations, findings, and comments generated by 15 public meetings, 17 site visits, 37 State Governors and over 700 stakeholders.

The last time an oceans report of this magnitude was issued was over thirty years ago. The report of the Stratton Commission led to the creation of the National Oceanic and Atmospheric Administration and passage of landmark legislation protecting our fisheries and coasts. I have read the preliminary report of this Ocean Commission, and I can tell you it is very balanced and comprehensive. The final report, when it is issued, will no doubt influence ocean policy for years to come, and has already inspired oceans legislation which my colleagues and I have introduced in the House and Senate. I am also currently developing legislation that will set out a national vision for ocean policy, conservation, research, and education, building upon the commission's recommendations.

Reports do not write themselves, and today I am taking a moment to acknowledge the tireless efforts of Admiral James Watkins, USN (Ret.), Chairman of the Ocean Commission, the Commissioners, and their staff. Admiral Watkins deserves to be commended for leading this monumental task and generating the attention it so wisely deserves. Dr. Tom Kitsos, as Executive Director, should also be recognized for bringing a well balanced report to completion. Each of the Commissioners should be applauded for lending their valuable expertise and a considerable amount of their own time to this task: Dr. Robert Ballard, Ted Beattie, Lillian Borrone, Dr. James Coleman, Ann D'Amato, Lawrence Dickerson, Vice Admiral Paul Gaffney, USN (Ret.), Marc Hershman, Paul Kelly, Christopher Koch, Dr. Frank Muller-Karger, Edward Rasmuson, Dr. Andrew Rosenberg, William Ruckelshaus, and Dr. Paul Sandifer.

I know Admiral Watkins, Dr. Kitsos and my colleagues share my appreciation of the commission staff, who wore many hats and put in countless hours to craft a fine report. The commissioners and Dr. Kitsos obtained invaluable advice and support from Terry Schaff and editorial expertise and advice from Morgan Gopnik. At the heart of the report were the staff who lent their considerable talents to developing the major themes in each of the working groups and in actually drafting the recommendations. Laura Cantral, Aimee David, and Gerhard Kuska contributed their expertise to the discussions on governance. The stewardship working group was ably assisted by Captain Malcolm Williams, USCG (Ret.), Brooks Bowen, Angela Corridore, and Frank Lockhart. Research, education, and marine operations issues were developed with the skilled support of Ken Turgeon, Captain George White, NOAA, Roxanne Nikolaus, and Chris Blackburn.

A report of this weight depends on careful execution of a public relations strategy. Kate Naughten, Peter Hill, and Michael Kearns are to be commended for their liaison work with the government and press. And we all know that every office would not function without a solid administrative support team. Lee Benner, Macy Moy, Polin Cohanne, Sylvia Boone, Robyn Scrafford, Stacy Pickstock and Nekesha Hamilton are to be congratulated for managing the day-to-day operations of the commission.

My heartfelt thanks go to everyone on the commission for a job well done.

## ABUSE OF CONTRACT FUNDS IN IRAQ

Mr. AKAKA. Mr. President, I rise today to discuss the alarming incidence of U.S. contract funds being abused in Iraq. These violations range from the abandonment of vehicles, each worth $85,000, to significant project overruns involving tens of millions of tax dollars. The scope of these wasteful and fraudulent activities is both disturbing and unacceptable.

At this critical juncture in Iraq's rehabilitation, contractors and their administrators should be providing contracted services and goods with maximum efficiency.

As an American, I am proud of and thankful of the men and women who have traveled to Iraq to help restore this country. They risk their lives and, sadly, some have given their lives. However, stories of outright waste and fraud involving contract funds are deeply disturbing.

Three themes have emerged from the abuse of U.S. contracts in Iraq: task order violations, the absence of cost controls, and inconsistent oversight.

Numerous contract officers have used existing procurement or task orders to obtain services and goods beyond the scope of approved contracts. For instance, during December 2003, the Army acquired interrogators for Iraqi prisons via a contract marked for the Department of Interior information technology purchases. Interior contract officers negotiated interrogation services through an open-ended agreement laden with tenuous connections to technology. In such circumstances, new procurement items should only be obtained under open and fair competition.

The absence of consistent cost controls has also attributed to the misuse of contract funds. The General Accounting Office reports that a significant portion of task orders, associated with defense logistical support contracts in Iraq, have been granted without concrete specifications, deadlines, and prices. The prevalence of open-ended contracts have fueled inefficiency and numerous project overruns exceeding 100 percent. Unfortunately, the absence of a well-trained procurement workforce in Iraq has impeded efforts to counter these adverse outcomes.

In the presence of fragmented oversight, the misuse of contract funds has further escalated. Currently, the Coalition Provisional Authority, CPA, only has oversight of contracts associated with reconstruction and Task Order 44 of the U.S. Army's Logistical Operations Civil Acquisition Program, LOGCAP, which provides CPA logistical support, yet all other contractors in Iraq are audited by agency inspector General, IG, offices. It is anticipated that the challenges of fostering accountability will substantially increase after the handover of Iraq on June 30, 2004. The CPA IG reports that 60 days after the handover, CPA audit activities will be merged into the State Department's IG Office. This office will oversee all U.S. contracts in Iraq including those managed by the Department of Defense. Government officials forecast that this change

in audit authority will generate confusion at a time when consistent oversight is most needed.

The widespread misuse of contract funds in Iraq warrants Senate attention. During these financially lean times, it is unacceptable to tolerate such outright abuse of U.S. tax dollars. It is imperative that we demand greater accountability and efficiency, and immediately focus on this critical issue. Senate hearings would help identify sources of misuse and assist in developing viable remedies. This war has cost hundreds of lives and billions of dollars. We should not ignore the price being paid, and the debt incurred, by this generation and future generations in this conflict.

## UNSOLVED MURDER OF UKRAINIAN JOURNALIST HEORHIY GONGADZE

Mr. CAMPBELL. Mr. President, for nearly 4 years the case of murdered Ukrainian investigative journalist Heorhiy Gongadze has gone unsolved, despite repeated calls by the Helsinki Commission, the State Department, and the international community for a fair and impartial investigation into this case. As cochairman of the Helsinki Commission, I have met with Gongadze's widow and their young twin daughters. Besides the human tragedy of the case, the Gongadze murder is a case study of the Ukrainian authority's utter contempt for the rule of law.

Gongadze, who was editor of the Ukrainian Internet news publication Ukrainska Pravda, which was critical of high-level corruption in Ukraine, disappeared in September 2000. His headless body was found in November of that year. That same month, audio recordings by a former member of the presidential security services surfaced that included excerpts of earlier conversations between Ukrainian President Kuchma and other senior officials discussing the desirability of Gongadze's elimination.

Earlier this week, Ukraine's Prosecutor General's office announced that Ihor Honcharov, a high-ranking police officer who claimed to have information on how Ministry of Internal Affairs officials carried out orders to abduct Gongadze, died of ''spinal trauma'' while in police custody last year. This came on the heels of an article in the British newspaper, The Independent, which obtained leaked confidential documents from Ukraine indicating repeated obstruction into the Gongadze case at the highest levels. Furthermore, just yesterday, Ukraine's Prosecutor General announced that investigators are questioning a suspect who has allegedly admitted to killing Gongadze.

Many close observers of the Ukrainian authorities' mishandling, obfuscation and evasiveness surrounding this case from the outset are suspicious with respect to this announcement. Just one of numerous examples of the Ukrainian authorities' obstruction of the case was the blocking of FBI experts from examining evidence gathered during the initial investigation in April 2002, after the Bureau had been invited by these authorities to advise and assist in the case and earlier had helped in identifying Gongadze's remains.

The Ukrainian parliament's committee investigating the murder has recommended criminal proceedings against President Kuchma. This committee's work has been thwarted at every turn over the course of the last several years by the top-ranking Ukrainian authorities.

A serious and credible investigation of this case is long overdue—one which brings to justice not only the perpetrators of this crime, but all those complicit in Gongadze's disappearance and murder, including President Kuchma.

Ukraine faces critically important presidential elections this October. Last month, I introduced a bipartisan resolution urging the Ukrainian Government to ensure a democratic, transparent and fair election process. Unfortunately, there have been serious problems in Ukraine's pre-election environment.

Ukraine can do much to demonstrate its commitment to democracy and the rule of law by conducting free and fair elections and fully and honestly investigating those who were behind the murder of Heorhiy Gongadze. The Ukrainian people deserve no less.

## CHILD NUTRITION AND WIC REAUTHORIZATION ACT OF 2004

Mr. LEAHY. Mr. President, I am pleased to speak in support of the Child Nutrition and WIC Reauthorization Act of 2004 as passed by the Senate. In the best tradition of the Senate, Members from both sides of the aisle have come together over the past year to renew and improve the School Lunch and Breakfast Programs, the Summer Food Service Program, the Child and Adult Care Food program, and the Special Supplemental Nutrition Program for Women, Infants and Children, WIC. I commend the chairman and ranking member of the Agriculture Committee, Senator COCHRAN and Senator HARKIN, as well as their staffs, for their hard work in support of the millions of children and families who rely on these vital programs to meet their daily food needs.

At the start of the 108th Congress, when we began the process of renewing the child nutrition programs, many of us had high hopes for improvements that might be made. I proposed legislation to provide financial incentives to schools that want to improve their nutritional environment, to renew Federal support for nutrition education in schools, and to expand and stabilize both the WIC and the WIC Farmer's Market Nutrition Programs. With my friend from Pennsylvania, Senator SPECTER, I proposed the creation of a farm-to-cafeteria program that would bring fresh foods from local farms into the cafeteria, and with my friend from Indiana, Senator LUGAR, I proposed giving the Secretary of Agriculture greater authority over the sale of soft drinks and junk foods in schools. Other proposals were made to eliminate the reduced price category for school meals, thereby providing free lunches to all children living in families with income below 185 percent of poverty. Unfortunately, the tight budget with which we had to work did not enable us to enact all of these worthy ideas. I am pleased, however, that the bill before us does include many of them and that at the same time it substantially improves program access and integrity.

Working together, we were able to ensure access to the programs for needy children through direct certification, targeted verification, and technical assistance to reduce administrative error, rather than simply requiring across-the-board increased verification that would have potentially caused eligible children to be erroneously and unacceptable kicked off the program.

We have maintained the historic role of milk in our school meals program, while granting parents the flexibility to help their children get a nutritionally equivalent beverage with lunch if they cannot drink milk. This legislation will also allow schools to have more flexibility on what to serve on the school lunch line. While the school lunch program currently restricts schools to offering only milk varieties that most students chose in the previous school year, this legislation would allow schools to expand choices based on what they believe are the best offerings for the student body, including flavored milk, lactose-free milk and milk of varying fat levels. In particular, I welcome the addition of lactose-free milk to the school lunch line, believing it will expand milk's appeal to those with special dietary needs.

We are also taking an important first step in beginning to conquer the problem of soda in our schools. Twenty years ago children consumed more than twice as much milk as soda; now they drink twice as much soda as milk. This is a huge problem for our children. Thus I am pleased this bill gives schools the authority to offer milk at anytime and anywhere on school premises or at school events. This will prevent restrictions on milk sales that are sometimes inserted in soft drink vending contracts with schools.

This legislation ensures that small States will receive an inflationary increase in their administrative expense grant—the money that they receive to administer and ensure the integrity of the Federal child nutrition programs. This provision is particularly important to my home State of Vermont as well as to other small and rural States that have not seen an increase in their grant in over 20 years despite inflation

and expansion of the responsibilities of the States to oversee the programs.

I look forward to the many wonderful local school-farm partnerships that will be possible under my new farm-to-cafeteria grant program as authorized by this bill. Communities all across our Nation are beginning to explore the benefits of linking local farms and school cafeterias. When these connections are made, children get healthier fresh food choices at school, and hands-on knowledge about where their food comes from and how it is produced. And farmers not only strengthen their local markets but become more involved with the schools in their community. With just a little seed money and some technical assistance these schools can create a program that teaches children about good nutrition, shows them the importance of agriculture, and supports local farms by keeping food dollars within the community. Under this new program, communities will be able to apply for competitive grants from USDA for up to $100,000 to purchase adequate equipment to store and prepare fresh foods, to develop food procurement relationships with nearby farmers, to plan seasonal menus and promotional materials, and to develop hands-on nutrition education related to agriculture. As a member of the Appropriations Committee, I will now work to secure funding for this important new program.

My support for these new farm-to-cafeteria projects comes in part from the amazing successes demonstrated by the WIC Farmers Market Nutrition Program, FMNP. Years ago, I helped create this program, which provides vouchers to WIC families good for fruits and vegetables at the local farmers market. The effects of this program have been stunning, and I am very pleased that under that this bill the WIC FMNP voucher has been increased from $20 to $30 and that we have reduced the cost to States of administering the program.

These provisions and more mean that millions of children and their families will be better served by the Federal child nutrition programs. Though I wish we could have had more resources to do some of the other things we had considered, like expand access to the child care and summer programs in rural areas, provide mandatory funds for nutrition education, and eliminate the reduced price meal category, I support the package of reforms that we have before us and I pledge to keep working on the rest.

In particular, I will continue to work with my colleagues in the Senate to address the growing crisis of childhood obesity in America and the ready availability of junk foods in our schools and cafeterias. With more and more of our children suffering the health consequences of being overweight and obese, we have a responsibility to help them make smarter nutrition choices. But with all of the funds that Congress rightly appropriates each year for nutrition education and healthy school lunches and meals, our Nation's efforts are severely undermined when children have to walk through a gauntlet of vending machines offering unhealthy choices on the way to the cafeteria. We need to put limits on the availability of junk foods in our schools, to ensure that students are not substituting empty calorie sodas and snacks for their nutritious federally subsidized school meals. Though this measure's establishment of local wellness policies is a step in the right direction, I am concerned that we have sidestepped our responsibility to the health of our Nation's children yet again and I am hopeful that we will revisit this issue in the near future.

Once again, I thank Chairman COCHRAN and Senator HARKIN for their leadership on this important legislation, and I am pleased to express my strong support for its final passage.

## DEPARTURE OF TAIWAN REPRESENTATIVE C. J. CHEN

Mr. ROCKEFELLER. Mr. President, a good friend of ours, Ambassador C. J. (Chien-Jen) Chen, will soon be leaving Washington, DC, after having served for nearly 4 years as Taiwan's principal representative. We are going to miss him very much.

C. J. brought a wealth of experience to his job. He was first assigned to Washington, DC in 1971, and he spent most of his distinguished 37-year career promoting good relations between Taiwan and the United States. Over the years, he won many friends for himself and for his country. An eloquent speaker and polished diplomat, C. J. also has a reputation for being a ''straight shooter.'' He was always prepared to provide an informed, balanced, and fair opinion on the complex relationship between Taiwan and the United States as well as the broad range of political, economic, cultural and other issues of common interest to our two countries.

Owing in large part to his efforts, much progress has been made on these issues. During his most recent assignment in Washington, with U.S. support, Taiwan has acceded to the World Trade Organization and become our eighth largest trading partner. At the same time, Taiwan has also contributed greatly to U.S.-led international humanitarian efforts in places such as Afghanistan and Iraq, and it has cooperated with the United States in fighting proliferation, terrorism, and money laundering in Asia. All these matters required intensive communication and coordination, and we were lucky to have someone like C. J. in place to lead the way.

One of the most notable and likeable things about C. J. is his inexhaustible optimism. While the U.S.-Taiwan relationship has certainly experienced its fair share of twists and turns, ups and downs, as C. J. will surely attest, he has always remained consistently upbeat. His confidence is contagious, and I agree wholeheartedly with his observation, that Taiwan and the United States, united by shared values and common interests, will continue to work closely together, not only for their mutual benefit but also for the sake of lasting peace and prosperity in the Asia-Pacific.

Now, after having served as his chief representative in the United States, as his country's foreign minister, as member of Taiwan's Legislative Yuan, and as a university professor, this man of extraordinary talent and vision is leaving Washington, DC. While he will be sorely missed, I am certain that he has established an admirable legacy of friendship, trust, and cooperation that will long endure.

## LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On September 19, 1999, a group of men shouting anti-homosexual slurs assaulted five gay men.

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.

## OREGON VETERAN HERO

Mr. SMITH. Mr. President, today I rise to honor a WWII veteran who has gone above and beyond the call of duty in his service to the United States and to the State of Oregon. Bob Maxwell was born in Boise, ID on October 26, 1920. Before joining the U.S. Army, Bob worked as a logger in Colorado. In the summer of 1942, he was shipped to Camp Roberts, CA for training.

Bob boarded a British troop ship heading for the European theater and landed in Casablanca in February of 1943. There he was assigned to the battered 3rd Infantry Division. Together with the 3rd Rangers, his Division landed in Licata on the south-central coast of Sicily in July of 1943. Fighting their way inland, Bob Maxwell's division successfully captured the city of Agrigento after seven intense days of battle.

Bob's dedication to the war effort was a valiant one. After landing near the town of Netuno, Italy on January 22, 1944, he was struck by shrapnel from a German artillery shell, severely injuring his leg. Maxwell returned to his duty repairing phone wires and working the switchboard after bandaging

his leg. He did not go to the hospital until the next morning when his platoon leader forced him to go. He was later awarded the Silver Star for his efforts.

A few months later, stationed near Besancon, France, Maxwell and three other soldiers, armed only with .45 caliber automatic pistols, defended their battalion observation post against a nearly overwhelming attack by enemy infantrymen. Despite fire from automatic weapons and grenade launchers, the men aggressively fought off advancing enemy troops and, with his calmness, tenacity, and fortitude, Maxwell inspired his fellows to continue the struggle. When an enemy hand grenade was thrown in the midst of his squad, Maxwell unhesitatingly threw himself squarely upon it, using his blanket and his unprotected body to absorb the full force of the explosion.

For this action, Maxwell was awarded the Medal of Honor, the nation's highest military award. In addition, while serving with the 3rd Battalion, 7th Infantry of the United States Army, he was awarded two Purple Hearts, two Silver Stars, and a Bronze Star. Maxwell was honorably discharged from military service at Ft. Lewis, Washington June 13, 1945.

After moving to Oregon, Maxwell met his wife Beatrice—Bea—and they married on August 12, 1951. He and Bea are parents to four children, numerous grandchildren, and a great-grandchild. Bob spent 30 years further serving the public in the teaching profession.

For his selfless service to others, and to the United States in times of war, I salute Bob Maxwell as an Oregon Veteran Hero.

## SALUTE TO AN OREGON SOLDIER

Mr. SMITH. Mr. President, today I rise to honor a courageous Oregonian who rushed to save the life of a wounded Taliban fighter. Sergeant Dan Trackwell, a native of Klamath Falls, OR, and a member of the Combined Anti-Armor Team, is currently serving in Afghanistan helping to secure that country's future.

On June 13, 2004, Marines with Battalion Landing Team 1st Battalion, 6th Marines and Afghan Militia Forces engaged three enemy soldiers on a mountain side. The guerillas were tracking and reporting on the Battalion Landing Team's activities when coalition forces opened fire and wounded at least one of them.

The Marines used a high-powered optical sight to observe the enemy fighters and to confirm that one was indeed wounded. As the other Taliban fighters escaped into the mountains the wounded man was left for dead.

Sergeant Dan Trackwell was one of the four Marines who ventured up the mountain to find the enemy. They located him hiding behind a rock. He and Corporal Jesse Clingan, of Unitown, Pennsylvania, determined that the fighter had lost a lot of blood and appeared to be in severe pain.

Corporal Daniel Dimaso, of Junction, NY, stripped off his own t-shirt and made a tourniquet to control the bleeding from the gunshot wound on the enemy fighter's lower left leg, while Pvt. 1st Class Daniel Fondonella, of Mt. Vernon, NY, provided security. Two hours earlier these men were hunting him down and now they were hurrying to save his life.

The Marines knew that the Taliban fighter would die if they did not get him off the mountain. They gathered the injured man and signaled for the corpsman at the vehicles in the canyon to prepare for their arrival. Sergeant Trackwell carried the enemy soldier down the mountain.

The wounded man was then taken to the battalion's command post, where the surgeon, Navy Lt. Brendon Drew, determined that he needed surgery soon. The Marines were instructed to keep an eye on the patient to ensure that he did not fall asleep while the wound was being worked on. As the surgeons worked on the patient, the Marines took turns holding the man's IV bag and blocking the bright Afghan sun from his eyes.

After the patient was stabilized he was taken to a nearby military medical facility for recovery. Lt. Drew determined that it was the immediate medical attention and the quick intervention from the corpsman that saved the man's life.

This story shows us that our Marines not only follow the rules of combat, they display a deep respect for humanity. For his selfless services to others, and to the United States in time of war, I salute Sergeant Dan Trackwell.

## ABSENCE EXPLANATION

Mr. BROWNBACK. Mr. President, I regret that I was unable to participate in many of the important votes that took place on Wednesday, June 23, 2004. I was necessarily absent from the Senate yesterday as I was attending the funeral of a family member. Nevertheless, I believe it is important for my constituents in Kansas to know how I would have voted had I been here; thus, I indicated to the Majority Leader my position for each of the votes throughout the day.

## TRIBUTE TO MATTIE STEPANEK

Mr. HARKIN. Mr. President, I ask the United States Senate to join me in tribute to Mattie Stepanek, a young man who accomplished so much, and sadly, was taken from us this past Tuesday, June 22 at the age of 13 years. Like his three older siblings, Mattie died from complications of a rare form of muscular dystrophy.

As anyone can testify who has seen Mattie on television, he was one brilliant person, and he had a big heart to match. At the age of three, he began writing poetry to cope with the death of his brother, writing messages of hope and inspiration, and selling millions of books. Mattie quickly became one of the most widely read poets in recent memory, and three of his volumes were on the New York Times' best-seller list.

I would like to share one of Mattie's most inspirational poems. It is titled, ''On Being a Champion.''

''A champion is a winner,
A hero . . .
Someone who never gives up
Even when the going gets rough.
A champion is a member of
A winning team . . .
Someone who overcomes challenges
Even when it requires creative solutions
A champion is an optimist,
A hopeful spirit . . .
Someone who plays the game,
Even when the game is called life . . .
Especially when the game is called life.
There can be a champion in each of us,
If we live as a winner,
If we live as a member of the team,
If we live with a hopeful spirit,
For life.''

Mattie was a champion in every sense of the word and his poetry won the hearts of many admirers, from Oprah Winfrey to former President Carter. But famous or not, it seemed to matter little to Mattie, who said, ''It's our inner beauty, our message, the songs in our hearts.''

Mattie embodied the unlimited potential within all of us, and I hope that Mattie's mother, Judi Stepanek, will find some strength in knowing that Mattie inspired and touched so many people. We offer Judi a special place in our hearts, knowing there is nothing harder than losing a child. And we pray that she be given the strength, courage and wisdom needed to get through this difficult time.

Mattie believed his mission in life was to ''spread peace in the world.'' And, today, I say to Mattie and to all who loved him: Mission accomplished.

## AGRICULTURAL ASSISTANCE ACT OF 2004

Mr. DORGAN. Mr. President, I am pleased to join my colleague, Senator CONRAD, in introducing legislation that provides much needed relief to farmers and ranchers who have been devastated by weather conditions.

Farmers and ranchers from my state began the year with great optimism. Producers were eager to get their crop in the ground so they could get a good return on their investments and their hard work.

But, harsh weather conditions have plagued our state. In some regions of North Dakota, late snow followed by unusually high rainfall left much of our fields under water and unfit to plant. Preliminary reports estimate that as much as two million acres of crops were unable to be planted or had crops that were destroyed after planting. This has placed the livelihood of many North Dakota producers in serious jeopardy.

In the southwest portion of the state, the drought conditions have crippled

livestock producers. Southwest North Dakota is terribly dry and has been for nearly two years. They have received almost no rain, making haying and grazing land very hard to come by, and causing feed expenses to soar.

These family farmers and ranchers ought not have to bear this burden alone. I am very pleased to join Senator CONRAD in introducing disaster legislation to help ease the financial burden of producers in their time of need. We need quick action on this legislation because producers need help, and they need it now.

The legislation being introduced today is very straightforward and almost identical to disaster legislation enacted in previous years, including last year.

Farmers experiencing crop loss of higher than 35 percent would be eligible for disaster assistance. Folks who bought crop insurance would be eligible for payments equal to 50 percent of the crop price, and those who did not purchase insurance would be eligible for payments equal to 40 percent of the crop price. Under this legislation, the uninsured producers will be required to purchase crop insurance for the following two years in order to receive any disaster assistance.

Also, ranchers suffering grazing losses will be eligible for assistance to help pay for the cost of feed. To be eligible, they must have suffered 40 percent loss during three consecutive months.

The weather conditions, beyond human control, have placed the livelihood of our farmers and ranchers at risk and I urge Congress to act quickly.

## 20 LEGISLATIVE DAYS AND COUNTING DOWN

Mr. LEVIN. Mr. President, as of today there are 20 legislative days left before the assault weapons ban expires. And as we get closer and closer to September 13, there are reports that gun manufacturers across the country are gearing up to flood the market with previously banned assault weapons. These weapons, according to the law enforcement community, were the weapons of choice for criminals before the ban and they have no place on our streets. The assault weapons ban is straightforward, commonsense public safety legislation that needs to be extended.

In addition to banning 19 specific weapons, the ban makes it illegal to ''manufacture, transfer, or possess a semiautomatic'' firearm that can accept a detachable magazine and has more than one of several specific military features, such as folding/telescoping stocks, protruding pistol grips, bayonet mounts, threaded muzzles or flash suppressors, barrel shrouds, or grenade launchers. These weapons are dangerous and they should not be on America's streets.

In response to Congress' inaction, some State legislatures have begun taking action of their own. In Massachusetts, State legislators voted Wednesday to bar the sale of the same 19 specific weapons mentioned in the Federal ban. According to the Coalition to Stop Gun Violence, Massachusetts is now one of six States with its own ban. Seven other States are considering enacting their own bans.

The National Rifle Association has said that the ban is ineffective and unnecessary. The association asserts that guns labeled as assault weapons are rarely used in violent crimes, and that many people use them for hunting and target shooting. But this assertion is not supported by the facts. According to statistics reported by the Brady Campaign to Prevent Gun Violence, from 1990 to 1994, assault weapons named in the ban constituted 4.82 percent of guns traced in criminal investigations. However, since the ban's enactment, these assault weapons have made up only 1.61 percent of the crime-related guns traced.

Unfortunately, despite Senate passage of a bipartisan amendment that would have extended the ban, it appears that this important gun safety law will be allowed to expire. The House Republican leadership opposes reauthorizing the law and President Bush, though he has said he supports it, has done little to help keep the law alive.

I am hopeful that the Congress will act in the 20 days it has remaining.

## THE DECISION TO GO TO WAR

Mr. LEAHY. Mr. President, last month Americans across this Nation celebrated Memorial Day. It was a day that had special significance for millions of World War II veterans, tens of thousands of whom came to Washington to see the long awaited memorial on the Mall to honor them and the more than 10 million American veterans of that war who are no longer living.

This Memorial Day was also an opportunity to reflect for those of us too young to remember that war, but old enough to have parents or friends who fought, died, or in so many other ways sacrificed and labored together to defeat enemies that threatened the survival of the free world.

For me, it was a day of mixed emotions. It was uplifting for Marcelle and me to be on the Mall and to see so many World War Two veterans and their families together, many of them reuniting with members of their divisions or regiments for the first time in over half a century. It was extraordinarily moving to hear their stories of the war, told as if it were yesterday—stories of bone chilling fear, incredible suffering, and awe inspiring bravery.

It was also a somber occasion. I think each of us was reminded of how much we, and so many millions of people in countries around the world, owe to that generation of Americans.

There was much talk of D-Day, and the thousands of Americans who died on the beaches that first day of the invasion of Normandy. Having returned from Normandy for the 60th anniversary of D-Day, I can say that the feeling is similar to what one experiences when visiting Gettysburg or any of the great battlefields of the Civil War. It is difficult to fathom that so many men so young could face death with such undaunted courage.

It was my second visit to Normandy. I was last there for the 50th anniversary, and the sight of those rows, and rows, and rows of white crosses was every bit as moving this time as it was the last.

Three weeks ago I also attended the funeral of one of two young Vermonters who were killed in action in Iraq on May 25. Sgt. Kevin Sheehan and Spec. Alan Bean died when their base on the outskirts of Baghdad was attacked. Six other Vermonters were injured, three seriously. Sgt. Sheehan and Spec. Bean were the ninth and tenth Vermonters to die in Iraq.

Then on June 7, another Vermonter, Sgt. Jamie Gray, was killed and two members of his Battalion were injured when their vehicle was hit by an improvised explosive device. He was the eleventh Vermonter to die in Iraq. At his funeral, I thought how the past few weeks have been very sad ones in my State; but, of course, the same could be said for many other states.

As of today, 844 Americans have died in Iraq since the start of the war, and there are thousands more who we rarely hear of who have been wounded. They have lost legs, arms, their eyesight, or suffered other grievous injuries that will plague them for the rest of their lives.

And there are the tens of thousands of Iraqis, including many thousands of civilians caught in the crossfire, who have been killed or injured. Their numbers are not even reported.

When I am in Vermont, and I am there most weekends, there is one question that I am asked over and over. ''What are you doing to bring our troops home?'' It is a question that I found myself asking this Memorial Day weekend, and in Vermont during those funerals, and then again at Normandy. It arises from a fundamental disagreement with President Bush's decision to go to war in Iraq, and his rationale for continuing to keep tens of thousands of our troops there in harm's way indefinitely.

The attacks of 9/11 were unlike anything our Nation had experienced since that infamous day at Pearl Harbor over a half century ago. I supported the President's decision to use military force against al-Qaida and the Taliban who had shielded them in Afghanistan. It was the right response and the whole world was behind us.

But as so many people warned, the decision to launch a unilateral, preemptive war against Iraq, even though Saddam Hussein had nothing to do with 9/11 and had no plan or ability to attack us, was a fateful diversion from the real terrorist threat.

The President's most recent justification for the war—previous justifications having been proven false—is that the Iraqi people are better off without Saddam Hussein. They are. But that is not the measure of a policy that led us into a war based on a false premise, faulty, distorted intelligence, and an astounding lack of understanding or concern for the huge costs and liabilities.

Those of us who have to vote to spend the billions of dollars that are necessary to keep our forces there should ask whether the President's decision to ''stay the course,'' apparently indefinitely, justifies the continued deaths of Americans—soldiers and civilians—at the dawn of their lives, often by the very people they were sent to liberate or to help recover.

No one questions that we were unforgivably vulnerable on 9/11. Our borders were porous. Several of the highjackers were living openly, and illegally, in this country. Simply securing the doors on airplane cockpits might have prevented those attacks. Our law enforcement and intelligence agencies were barely speaking to each other. Communication between the White House, the Strategic Air Command, the FAA and the Pentagon was hopelessly confused. Countless warnings were ignored.

No one questions that we need to do far more to protect ourselves from terrorists. Every American is a potential target, as we saw, again, last week with the sickening execution style murder of Paul Johnson in Saudi Arabia.

The question is how best to protect ourselves at home, and how best to build the alliances we need to combat terrorism around the world.

Imagine if instead of spending $150 billion, soon to be more than $200 billion, to invade and occupy Iraq, we had used that money differently.

Imagine if we had used it to increase fiftyfold the number of police officers in this country.

Imagine if we had used it to put two air marshals on every airplane in or entering American airspace.

Imagine if we had used it to tighten our border controls, so rather than inspecting 10 percent of the shipping containers and trucks entering this country, we inspected 100 percent.

Imagine if we had used it to increase fiftyfold the number of immigration officers at our ports of entry, and to increase fiftyfold the number of investigators to track down people who are here illegally.

Imagine if we had used it to increase fiftyfold our surveillance capabilities along the Canadian and Mexican borders.

Imagine if we had used it to increase tenfold the amount we spend to protect nuclear materials, reactors, and weapons sites from sabotage or theft by terrorists.

Imagine if we had used it to teach Arabic to 10,000 new intelligence officers, and stationed them around the world. Think of the schools we could build, the hospitals, the medical breakthroughs funded, and on and on.

Imagine how much safer we would be if we had done these things. Instead, we are spending that money in Iraq, and we will spend another $50 billion in Iraq next year. Yet even the Secretary of Defense testified that, after spending $150 billion, he does not know if we are winning the war against terrorism. I think it is safe to say that if he believed we were, he would be the first to say so.

When President Bush announced his decision to invade Iraq he said all the things he was expected to say. He said he made his decision only as a last resort, after exhausting every other option. He said it was the hardest decision of his presidency.

In fact, other options were far from exhausted, and the intelligence he relied on was manipulated, misinterpreted, and wrong.

In fact, we now know that it was a decision the President made after minimal debate and with little difficulty. He consulted only his closest political advisors who for years, despite never experiencing combat themselves, had called for the use of force to overthrow Saddam Hussein. Those outside the President's inner circle who had reservations were ignored. Those who understand the history and the culture and religious and ethnic rivalries of that part of the world, whom he might have listened to, were ignored.

Over 200,000 young Americans were sent to Iraq, and over 135,000 remain there. They were sent into war despite the absence of any tangible threat to the United States. They were sent to invade a country that had nothing to do with 9/11.

Many were sent without body armor, without adequate water, and without the proper armor on their vehicles. They were sent in insufficient numbers to prevent the chaos that has caused twice the casualties since the collapse of the Iraqi Government, when the President declared ''Mission Accomplished.'' Many of our most severely wounded have come home to inadequate medical care, or foreclosures on their homes.

The Pentagon's leaders always insist that the safety and welfare of our troops is their highest priority, but history is replete with examples to the contrary and today we are seeing history repeating itself.

Even worse, as hundreds of Americans die and thousands suffer terrible wounds, the rest of the country goes about its daily business, packing for their summer vacations, as if the war is someone else's problem.

Our soldiers do not have the luxury of refusing to fight if they disagree with the President. That is why a decision by the nation's leaders to send America's sons and daughters into harm's way, and to keep them where they are being killed and wounded every day, should be made only if the security of the United States depends on it.

Aside from the usual patriotic cliches, the President has not explained why the security of the United States depends on keeping tens of thousands of Americans deployed in Iraq's cities where they are being blown up by roadside bombs and shot by snipers. What are they doing there that is worth the loss of lives?

There are encouraging steps as a new Iraqi government takes shape. But they do nothing—nothing—to obscure the grim reality that virtually every day more young American lives are lost. How long will this continue? The President says our troops will be there until they ''finish the job.'' What job? It is more than a year since the fall of Baghdad, yet we still do not know what the mission is.

Is it to make Iraq a democracy? Is it, as our troops are told, to kill and capture ''bad guys?'' Is it to protect the oil wells and refineries and Halliburton's other investments there? Is it to remake the Middle East?

Even the President concedes that other countries are not going to donate significant numbers of their own troops.

The hard truth, which no one in this administration is willing to admit, is that regardless of almost anything else that happens in Iraq in the coming year, hundreds perhaps thousands more of America's sons and daughters are likely to be killed or wounded.

There are times when war is unavoidable, as it was when Germany invaded Europe, when Japan bombed Pearl Harbor, and when al-Qaida attacked New York and Washington. And when that happens, when the security of the country depends on it, the country unites and great sacrifices of life and limb are willingly made.

It is those sacrifices that we honor on Memorial Day, and which those of us who were just in Normandy were reminded of so vividly.

But the war against terrorism is a different kind of war.

It will not be won by invading and occupying countries.

It will not be won by alienating our friends and allies, nor by inciting the anger of Muslims around the world who now believe the United States is at war with Islam itself.

It will not be won by arresting people, calling them terrorists, torturing and humiliating them, and releasing them only after it becomes a public relations disaster. Why, if they were innocent, were they detained so long in the first place? It makes a mockery of the very idea of justice.

The war against terrorism will not be won by publicly claiming to respect the law when you are secretly declaring the law obsolete, breaking the law, and then refusing to disclose what was done.

It will not be won when half the American people do not believe the war in Iraq is making them safer.

It will not be won with self-serving rhetoric that distorts history and bears little resemblance to reality.

The war against terrorism will be best fought by using our military selectively, as we are by tracking down al-Qaida in Afghanistan.

It will be best fought by building alliances, by working closely and cooperatively with the law enforcement and intelligence agencies of other countries to infiltrate terrorist networks, capture their leaders, and seize their assets.

It will be best fought by doing far more to help create economic opportunities for the hundreds of millions of impoverished people, particularly in Muslim countries, who have little more than their faith and their anger, and who are the terrorist recruiters' greatest hope.

And it will be best fought by giving far higher priority to strengthening our defenses here at home.

## ADDITIONAL STATEMENTS

### TRIBUTE TO KEN ROBINSON

• Mr. HARKIN. Mr. President, today I want to remember Ken Robinson, a long time friend and community leader. Ken passed away on Friday, April 30, 2004 at the age of 89 years. I would like to pay tribute to the many contributions he has made to his community, to his profession, and to this country.

I have known Ken and his wife Mary Louise, both as personal friends and as the owners of the Bayard News, the Bagley Gazette, as well as several other Iowa newspapers. In 1940, he was one of the founders of the Bayard News which merged with the Bagley Gazette in 1973 to become the Bayard News Gazette. They received many awards over the years for their publishing including the National Newspaper Association's Amos Award which is given to a person who is considered to have done the most for the newspaper industry as well as for his own community.

When is came to being an advocate for publishers of newspapers in rural areas, Ken was the best. He was fearless, and nothing deterred him from approaching public officials, including the Post Master General or the President of the United States, to bring to their attention problems experienced by his newspaper readers due to delayed rural delivery service or postage price increases. He was a crusader in the best sense of the word when there was an issue that needed to be fixed.

He came to Washington, DC every year to participate in the annual conference sponsored by the National Newspaper Association. Ken was the one to ask the hard questions of the officials who would speak at the conference, holding their feet to the fire to follow up on commitments. At one association conference session at the White House, Iowa Newspaper Association Director Bill Monroe remembers worrying about Ken and why he had not shown up in time for the meeting. Just before the meeting began, Ken came out of the Oval Office just before President Reagan came out to meet the group. He had been in the office promoting Bayard's sesquicentennial and had sold President Reagan a raffle ticket.

Ken also served as mayor of Bayard for 24 years, as a State representative, and was active in many organizations, including the League of Iowa Municipalities, the Democratic Party, the Iowa Civil Rights Commission, and the board of Iowa Public Television. He was an active and loyal alumnus of Drake University from where he graduated with a major in economics. During his college years, he was managing editor of the Drake Times Delphic where he primarily wrote sports articles.

Ken was born near Panora, IA in 1914. In his junior year of high school, he was stricken with polio. As a person with a disability, long before the ADA was passed, Ken found ways to overcome barriers to achieve his long-time dream of owning and publishing a newspaper. He not only achieved his dream, but with his passion for justice and his impatience with inaction, he became a strong voice for common sense and fairness. As a civic leader, he had the kind of ''can-do'' attitude that motivates others to get involved to get things done. Who knows what Ken might have achieved if the ADA had been implemented while he was involved in so many aspects of community life. In this spirit, Ken was the first recipient of the Easter Seals of America Award to honor a person with a disability who had provided outstanding service to government and to community.

Ken and Mary Louise have been great friends to me and I will never forget them. People such as Ken and Mary are an inspiration to us all. They are among the leaders who are the fabric that gives shape and color to our rural communities. They have spent their life making their community, State, and Nation better places to live, work and raise families. And for that, we are forever grateful.•

### NATIONAL HOMEOWNERSHIP MONTH—JUNE 2004

• Mr. SMITH. Mr. President, realizing the dream of homeownership is one of the greatest moments in a lifetime. I am pleased that June has been designated as National Homeownership Month and I have enjoyed working with my colleagues to increase the number of Americans who are able to own their own homes. Homeownership provides more than just a shelter. It is a symbol of security that more American families are enjoying each year.

Owning a home enhances our lives and contributes to thriving communities. Where homeownership flourishes, communities are more secure, residents are more civic-minded, schools are better and crime rates decline.

Today, the national homeownership rate stands at 68 percent. I am proud of the great strides we have made in order to raise it to the highest rate ever. But if you take a close look at that statistic, you'll see that there is still much work to be done. The fact is that homeownership rates have risen the most among groups that have always had the highest ownership, while they've actually fallen for households with children and those headed by someone under the age of 55. In addition, African American and Hispanic households' homeownership rates still lag behind those of white households by more than 25 percentage points.

I support President Bush in his goal of expanding the number of minority home owners by 5.5 million by 2010. As the lead sponsor of S. 198, the New Homestead Economic Opportunity Act, I am confident this legislation would go a long way toward increasing the number of American home owners—particularly first-time and minority home buyers. S. 198 will provide a tax credit for single-family homeownership. Modeled after the successful low-income rental housing tax credit, this proposal would allow States to allocate Federal tax credits to developers and investors who provide single-family homes for purchase by qualified buyers in qualified areas.

The legislation is sound public policy and makes good economic sense. It would foster revitalization of both urban and rural areas and help working Americans currently priced out of the market to buy their first home. It is estimated that each year the credit would produce some 50,000 new and rehabilitated homes, 120,000 jobs, $4 billion in wages and $2 billion in taxes and fees.

President Bush has stated that a home is:

> a foundation for families and a source of stability for communities. Part of economic security is owning your own home. Part of being a secure America is to encourage homeownership.

Today, in the midst of National Homeownership Month, those words ring even more loud and true. I ask that my colleagues show their support for homeownership by cosponsoring S. 198.•

### HONORING STEPHAN KATHMAN AND DAVID SHEETS

• Mr. BUNNING. Mr. President, I pay tribute and congratulate both Stephan Kathman of Covington, KY, and David Sheets of Lexington, KY, on being named two of the seventy-eight outstanding U.S. high school students to attend the 21st annual Research Science Institute (RSI). The Institute, sponsored by the Center for Excellence in Education at the Massachusetts Institute of Technology and the California Institute of Technology, will

take place this summer. Students in this program represent the upper one-percent of those in the United States who took the PSAT exam.

Science and technology is extremely important for the economic growth of this country, and we need to encourage young scholars to pursue careers of excellence and leadership in the field. These two young men and the others involved in this program are the future leaders of this country and deserve our recognition. These students are competitively selected to attend and, subsequently, are provided with assistance for the eight to ten years of their undergraduate and graduate studies.

So often we hear of failures of the U.S. educational system; however, students chosen for RSI are proof that good things are happening in our schools. Kentucky is doing its job to nurture some of the county's finest talent. I join my fellow Kentuckians to congratulate Stephan Kathman and David Sheets on their achievements and wish them luck this summer at the Research Science Institute.●

## WVEMS

● Mr. LIEBERMAN. Mr. President, I am pleased to extend my congratulations and gratitude to the Westport Volunteer Emergency Medical Service, WVEMS, of Westport, CT, which is celebrating a quarter century of unparalleled dedication to public safety and public service.

Volunteerism is part of the American way, and the volunteer emergency personnel of WVEMS take on a particularly demanding and challenging form of community service. These men and women take time out of their busy lives and careers, or from well-earned retirement, to provide life-saving services 24 hours a day, 7 days a week. They work in close cooperation with police and fire departments, using state-of-the-art skills, in pre-hospital situations. WVEMS volunteers also perform other important community services, including teaching first aid and CPR classes.

The men and women of WVEMS have established a remarkable legacy. During their 25 years of service, they have logged over half a million volunteer hours and cared for over 45,000 ill or injured men, women, and children.

Fifteen of the original founders still serve with a selfless commitment to their cause, and each has been designated an American Red Cross Unsung Hero. These exceptional men and women are Edward and Elizabeth Audley, Patricia Audley, Sharon Barnett, Russel M. Blair, Susan DeWitt, Michael Feigin, Richard Frazier, Neil Harding, Thomas M. Keenan, Kathleen Todd, Alan Yoder, Isabel Blair, Alan Stolz, Nettie Skinner, and Pasquale Salvo. I would also like to commend Jay Paretzky and April Anne Yoder, who have also been with the WVEMS for a quarter century.

All of the other active members of the WVEMS certainly deserve our recognition, as well: William Puterbaugh, Norman Coltin, Sandra McPherson, Jeffrey T. Lea, Andrew Dinitz, Loretta S. Harsche, Marge Costa, Christine A. Evans, Todd M. Smith, Mark A. Blake, Anthony F. Santo, Donald E. Smith III, Thomas F. Burrows, Martha M. McGorry, Elizabeth Slattery, Chris VanDeusen, Diane Salvo, Benjamin Frimmer, Barbara F. Wood, Barbara Babash, Arlene M. Healy, Amy Smith, Linda Canterbury, Albert Bassett, Mary Jane Cross, KC Duffy, Linda Green, Carole Grob, Dorothy Harris, Gordon Joseloff, Chris Sanders, Whitney Cusa, James Flint, Nicole Donovan, Toni Cribari, Mary Minard, Terrence Blake, Michele Brewster, Michael Falbo, Cheryl Jones, Michael Quan, Rico Tiberio, Sylvia Lempit, Susannah Kehl, AnnaLiisa Joseloff, James Hinckley, Nanci Jenkins, David Heinmiller, Rainy Broomfield, Ronald Carkner, Donna Patchen, Robert Redman, Olivia Weeks, Courtenay Quinn, Joseph Devermann, Linda Gale, Jean Marie Wiesen, Nancy Strong, Gregory Coghlan, Paul Resnick, Barbra Utting, Adam Sappern, Nancy Fusaro, Wendy Hill, Megan Watson, Kristin Ancona, Kathryn Min, William Min, Susan Parks, Jamie Talbot, Michael Rickard, Marc Hartog, Michael Engelskirger, Craig Kupson, Elizabeth Jennings, Glenn Eisen, Angela Chichila, Anna Dowdle, Ashley Hawley, Andrea Hoboken, Dustin Schur, Jackie Stenson, Carol Boas, Yannick Passemart, Kerry Volmar, Michael Wilmot, Danielle Faul, David Bodach, Christin Giordano, Zack Klomberg, Jordan Kunkes, Alma Loya, Whitney Riggio, Kimber Roberts, Alicia Wong, Karen Bizzak, Margaret Russell, Richard Arriaga, Carol Dixon, Gabrielle O'Halloran, Daniel Rappaport, Dora Sweet, Lois Benfield, Adele Donohue, Susan Shewchuk, Nancy Toll, Pamela Newnham, Matthew Rees, Richard Celotto, John Sommers, Caroline Andrew, James Gray, Stephanie Howson, Rebecca Kamins, Kaitlyn Mello, Elizabeth Parks, Christian Renne, Rob Stewart, Emma Trucks, Christina Voonasis, Maryanne Boyle, Robert Dowling, Yashasvi Jhangiani, Maribeth Nixon and Steve Brothers.

To the men and women of WVEMS, thank you for going above and beyond the call of duty to serve those in need. Well done.●

## JUNE IS DAIRY MONTH

● Mr. FEINGOLD. Mr. President, June is National Dairy Month, the country's oldest and largest celebration of dairy products and the people who have made the industry the success it is today. During June, Wisconsinites will hold nearly 100 dairy celebrations across our State, including dairy breakfasts, ice cream socials, cooking demonstrations, festivals and other events.

Every State in the Union has dairy farms, which together produce over 170 billion pounds of milk annually. In my home State of Wisconsin, dairy farmers produce approximately 22 billion pounds of milk and 25 percent of the country's butter a year. Some of the world's finest cheeses are produced within Wisconsin's borders, in addition to a variety of other outstanding dairy products for people to enjoy.

The nutritional benefits of milk, yogurt, cottage cheese, and other dairy products are important to keeping Americans healthy and strong. Strong scientific evidence published in the Journal of the American Medical Association and JAMA indicates that dairy foods may play a role in reducing the risk of nine common diseases and conditions: obesity, hypertension, type 2 diabetes, coronary artery disease, stroke, kidney stones, osteoporosis, colorectal cancer, and pregnancy-related complications. Research continues to demonstrate the health benefits of consuming dairy products, particularly for children.

Throughout my time in the Senate, I have worked to keep my State's dairy industry healthy and strong. I have fought attempts to create and perpetuate regional disparities in dairy pricing. I have acted on the concerns of many Wisconsinites about the impact of milk protein concentrates on the Wisconsin dairy industry. I have advocated on behalf of the Wisconsin dairy industry to trade negotiators. I will continue to work to keep Wisconsin a leader in the dairy industry.

So here's to good health, a strong agricultural economy, and the pride of America's dairyland as we enjoy Wisconsin dairy products during the National Dairy Month and throughout the rest of the year.●

## TRIBUTE TO CHUCK VEST

● Mr. KENNEDY. Mr. President, this month marks the end of a distinguished 14-year tenure for Chuck Vest as president of the Massachusetts Institute of Technology. He has been an excellent leader for this outstanding institution in our State. He has attracted and retained a world class faculty, including Nobel Prize winners. He's maintained an impressive balance between consistency and change to meet the changing needs of the university in the modern high-tech world. and he has developed the research capacity of the institution far beyond its abilities when he took the helm.

His commitment to diversity has also been impressive. In 1990, the undergraduate student body was 34 percent women and 14 percent underrepresented minorities; today the student body is 42 percent women and 20 percent underrepresented minorities—the result of a conscientious effort by President Vest and the community he cared about so much.

His leadership was marked by many innovative reforms. He decided to publish all course material online so that it is freely available to anyone in the

world. He brought the unequal treatment of senior female faculty to the attention of the community, and held an open dialogue on how to correct the situation. He offered health benefits to same-sex partners. His leadership on financial aid methodologies laid the groundwork for the provisions that are now part of the Higher Education Act.

Chuck has worked skillfully as well to obtain increased support for scientific research—especially in the physical sciences, and he was a familiar figure in corporate boardrooms and to many of us in Congress. His cooperative work with Lincoln Labs, with Harvard and with the Broad Foundation and his commitment to the Cambridge and Boston Public Schools are important parts of all he has brought to MIT. When he was named in February to the President's Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, he said, ''I will concentrate on two priorities, MIT and the Commission.

There is so much to be said about Chuck Vest—his intelligence, his appealing personality, his modesty about his own high accomplishments, and his tireless pursuit of excellence in everything he does. All of us who know him wish him well in the years ahead, confident that we will continue to think and act boldly about the role of science and scientific education in our changing world and its fundamental importance to the future of our Nation and its best ideals.●

## CONGRATULATIONS TO CARLOS BOOZER

● Ms. MURKOWSKI. Mr. President, I am pleased to honor a fellow Alaskan. This summer our country will display its patriotism on an international level during the 2004 Summer Olympic Games. It is important for us to recognize the men and women who dedicate their lives to representing the United States. Though the sacrifices these individuals make are not ''life threatening'' like those of our American men and women who serve in our Armed Forces, the individuals who represent our country in the Olympics nonetheless sacrifice themselves, and proudly represent this Nation. That is why I would like to take the time to recognize one fellow Alaskan who is about to compete at the highest international level. Recently, my fellow Alaskan, Carlos Boozer, was selected to the Men's 2004 Olympic Basketball team. He becomes the first Alaskan to be selected to the United States Men's Olympic Basketball team.

Unselfishly, Mr. Boozer has been a quiet winner his whole life. Carlos attended Juneau-Douglas High School, winning a State title in his junior season, and then in his senior season he was selected to the McDonald's All-American Team. He then enrolled in Duke University, where he won a national title with the Blue Devils. After receiving his degree from Duke in 3 years, Carlos was drafted in the second round of the 2002 NBA Draft by the Cleveland Cavaliers. With his workman-like mentality, he is becoming a model for those who dedicate themselves to perfection and team work, and not personal glory. Now he has the opportunity to represent this country in a quest for the Gold Medal in the Summer Olympic Games. I congratulate Carlos, not only for his recent achievement, but for his unselfish dedication. He has dedicated himself to Juneau his home town, Alaska his home state, Duke University, the Cleveland Cavaliers, and now the United States. This kind of continuous dedication is rare, and Carlos embodies it. In a time when professional athletes are opting out of the Olympic Games, Carlos has risen to the occasion and accepted a bid to represent his town, his State, his university, his team, and more importantly, his country. Again I congratulate Mr. Boozer and the rest of the men and women who will represent this great Nation in Athens this summer.●

## IN RECOGNITION OF MR. WILLIAM GREENBLATT

● Mr. BOND. Mr. President, today I would like to recognize Mr. William Greenblatt, a man whose accomplishments are a true testament to what a business and community leader should be, as he celebrates his fiftieth birthday on June 9, 2004.

Mr. Greenblatt began his career providing photography services for commercial, industrial, public relations and non-profit organizations including the City of St. Louis, Make-A-Wish Foundation, United Way, and American Heart Association. He also serves as the St. Louis Fire Department's photographer recreating fire scene construction and investigations as well as documenting training and incidents.

During Mr. Greenblatt's career, he has had the honor of being the official photographer for many of Missouri's most prominent Federal, State, and local politicians, as well as St. Louis artists Nelly and Toya. In addition to his services at United Press International, he has contributed to numerous publications such as the Chicago Tribune, Los Angeles Times, Newsweek Magazine, New York Times, and the Washington Post.

Mr. Greenblatt has dedicated both his professional and personal life to the betterment of his community. He has served on several non-profit boards as well as being a member of several professional organizations including the St. Louis Regional Chamber and Growth Association, St. Louis Journalism Review Board of Editorial Advisors, Urban League of Metropolitan St. Louis, and the James S. McDonnell Board of Directors.

Throughout his service, Mr. Greenblatt has been honored with several achievements including placing in the Baseball Hall of Fame Photo Contest, Certificate of Appreciation from the City of St. Louis Emergency Management Agency, Outstanding Citizen Award.

Mr. Greenblatt has a distinguished record of service in his public and private life. I would like to thank him for his dedication to his profession as well as his contributions to the St. Louis Community. On behalf of Missouri, I wish him a happy 50th birthday.●

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

## THE U.S.-AUSTRALIA FREE TRADE AGREEMENT AND THE AFRICAN GROWTH AND OPPORTUNITY ACT

● Mr. KERRY. Mr. President, I am pleased to announce today my support for the U.S.-Australia Free Trade Agreement. The United States has a trade surplus with Australia and this agreement will boost our exports still further by eliminating Australian tariffs on our manufactured goods and on several key agricultural exports. Not only does the agreement promote our economic interests and job creation here in America, but Australia is also an important ally, and we must do all we can to ensure a healthy and vibrant relationship between our two nations.

I am, however, disappointed that the Bush administration did not build on the model of the U.S.-Jordan agreement by including strong and enforceable labor standards in the core of the agreement. Although Australia already has very strong labor rights and an effective enforcement regime, the agreement represents a missed opportunity to set a higher benchmark for future trade agreements by cementing the principle that labor and environmental standards are in the core of all new agreements.

In addition, I am disappointed that the Bush administration did not do a better job negotiating an agreement that would protect our important beef and dairy industries. I was happy to support an amendment in the Finance Committee that helps ensure a level playing field for our domestic beef industry.

I am also pleased to announce today my intention to cosponsor the Milk Import Tariff Equity Act, S. 560, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates and help ensure fair competition for our nation's dairy farmers.

As we look ahead I want to reiterate that this agreement and others I have supported should not be viewed as models for all future bilateral agreements under negotiation. In particular, it is important to have strong ties with our Central American neighbors. However, the lack of strong and enforceable labor and environmental standards are more serious in the CAFTA agreement because of the poor history the Central American countries have with labor issues. I oppose the current CAFTA agreement, and I hope that over time it

can be improved to strengthen labor rights and our ties to our neighbors. The goal is to make sure that trade lifts all people up, that it creates growth with equity.

I also understand that last night Majority Leader FRIST and Minority Leader DASCHLE discussed the possibility that the Senate will soon pass an extension of the African Growth and Opportunity Act. While some Senators have concerns with AGOA III that must still be resolved, and we should provide adequate time to address those concerns, I would like the record to show that I support this important legislation and would like to see it enacted.

Today, the countries of sub-Saharan Africa face some of the world's greatest challenges to export growth, including insufficient domestic markets, lack of investment capital, and poor transportation and power infrastructures. Perhaps most devastating, the region continues to be ravaged by the growing HIV/AIDS pandemic. AGOA provides a door to a brighter future for these nations. By enhancing and enabling economic, legal and political reform, AGOA sets the stage for economic growth and political stability in the region, and helps lift up the lives of the people of Africa.

Through our trading relationships, the United States can help spread effective political, economic and legal institutions to regions of the world that are vulnerable to political instability, civil war and global terrorism. Ensuring sub-Sahara African economic integration is one of the surest ways to cultivate new and powerful allies in the war on terror.

AGOA is an integral part of a broader partnership with Africa that must also include progress on debt relief and stepped-up efforts to fight the scourage of HIV/AIDS. Given the importance of AGOA to the future we share with Africa, I hope the remaining concerns of my colleagues can be addressed to ensure the passage of AGOA III. Passing this critical extension of AGOA will send a powerful signal to Africa and the world that the United States is committed to extending the benefits of the global economy to all those willing to make the necessary economic, legal and political reforms.●

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

### REPORT OF THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO THE WESTERN BALKANS—PM 89

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 Banking, Housing, and Urban Affairs:

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Western Balkans emergency is to continue in effect beyond June 26, 2004, to the *Federal Register* for publication. The most recent notice continuing this emergency was published in the Federal Register on June 24, 2003, 68 Fed. Reg. 37389.

The crisis constituted by the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Yugoslav Republic of Macedonia, and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999, in Kosovo, that led to the declaration of a national emergency on June 26, 2001, has not been resolved. Subsequent to the declaration of the national emergency, acts obstructing implementation of the Ohrid Framework Agreement of 2001 in the former Yugoslav Republic of Macedonia, have also become a concern. All of these actions are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to the Western Balkans and maintain in force the comprehensive sanctions to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *June 24, 2004.*

## MESSAGES FROM THE HOUSE

At 12:19 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 218. An act to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns.

H.R. 1731. An act to amend title 18, United States Code, to establish penalties for aggravated identity theft, and for other purposes.

H.R. 4053. An act to improve the workings of international organizations and multilateral institutions, and for other purposes.

H.R. 4345. An act to amend title 38, United States Code, to increase the maximum amount of home loan guaranty available under the home loan guaranty program of the Department of Veterans Affairs, and for other purposes.

H.R. 4548. An act to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 460. Concurrent resolution regarding the security of Israel and the principles of peace in the Middle East.

At 3:21 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2507. An act to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to reauthorize child nutrition programs, and for other purposes.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

S. 2017. An act to designate the United States courthouse and post office building located at 93 Atocha Street in Ponce, Puerto Rico, as the ''Luis A. Ferre United States Courthouse and Post Office Building''.

H.R. 4635. An act to provide an extension of highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund pending enactment of a law reauthorizing the Transportation Equity Act for the 21st Century.

The enrolled bills were 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. 4053. An act to improve the workings of international organizations and multilateral institutions, and for other purposes; to the Committee on Foreign Relations.

H.R. 4345. An act to amend title 38, United States Code, to increase the maximum amount of home loan guaranty available under the home loan guaranty program of the Department of Veterans Affairs, and for other purposes; to the Committee on Veteran's Affairs.

H.R. 4548. An act to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence.

The following concurrent resolution was read the first and the second times

by unanimous consent, and referred as indicated:

H. Con. Res. 460. Concurrent resolution regarding the security of Israel and the principles of peace in the Middle East; to the Committee on Foreign Relations.

## MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 218. An act to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–8128. A communication from the Paralegal Specialist, Federal Aviation Administration, Department Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: BAAE Systems (Operations) Liminted (Jetstream) Model 4101 Airplanes Doc. No. 2002–NM–58'' (RIN2120–AA64) received on June 22, 2004; to the Committee on Commerce, Science, and Transportation.

EC–8129. A communication from the Paralegal Specialist, Federal Aviation Administration, Department Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 727–100 and 200, 737–100 and 200; 737–100, 200, 200C, 300, 400, and 500 and 747 Airplanes Doc. No. 2001–NM–297'' (RIN2120–AA64) received on June 22, 2004; to the Committee on Commerce, Science, and Transportation.

EC–8130. A communication from the Paralegal Specialist, Federal Aviation Administration, Department Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747–400, 400D, 400F, 757–20–0, 200PF, 200CB, 767–200, 300, and 300F Airplanes Doc. No. 2003–NM–40'' (RIN2120–AA64) received on June 22, 2004; to the Committee on Commerce, Science, and Transportation.

EC–8131. A communication from the Paralegal Specialist, Federal Aviation Administration, Department Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A300 B4–600, 600R, and F4600R (Collectively Called A300 and 600) A310, A319, A320, A321, A330, and A340–200 and 300 Airplanes Doc. No. 2003–NM–19'' (RIN2120–AA64) received on June 22, 2004; to the Committee on Commerce, Science, and Transportation.

EC–8132. A communication from the Paralegal Specialist, Federal Aviation Administration, Department Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747 Airplanes Doc. No. 2003–NM–47'' (RIN2120–AA64) received on June 22, 2004; to the Committee on Commerce, Science, and Transportation.

EC–8133. A communication from the Paralegal Specialist, Federal Aviation Administration, Department Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Gulfstream Aerospace LP Model Galaxy and Gulfstream 200 Airplanes Doc. No. 2004–NM–70'' (RIN2120–AA64) received on June 22, 2004; to the Committee on Commerce, Science, and Transportation.

EC–8134. A communication from the Acting Under Secretary of Defense for Acquisition, Technology, and Logistics, Department of Defense, transmitting, pursuant to law, the Department's Defense, Chemical, Biological, and Nuclear (CBRN) Defense Program Annual Report to Congress and the Department's CBRN Defense Program Performance Plan for Fiscal Years 2003–2005; to the Committee on Armed Services.

EC–8135. A communication from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''31 CFR Chapter V, Appendix A'' received on June 22, 2004; to the Committee on Banking, Housing, and Urban Affairs.

EC–8136. A communication from the Director, Office of Personnel Policy, Department of the Interior, transmitting, pursuant to law, a report of the discontinuation of service in acting role for the position of Solicitor, Department of the Interior, received on June 21, 2004; to the Committee on Energy and Natural Resources.

EC–8137. A communication from the Director, Office of Personnel Policy, Department of the Interior, transmitting, pursuant to law, a report of the discontinuation of service in acting role for the position of Solicitor, Department of the Interior, received on June 21, 2004; to the Committee on Energy and Natural Resources.

EC–8138. A communication from the Executive Director for Operations, Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled ''Performance of Commercial Activities''; to the Committee on Environment and Public Works.

EC–8139. A communication from the Commissioner, Social Security Administration, transmitting, pursuant to law, a report of the Administration's commercial and inherently governmental activities; to the Committee on Finance.

EC–8140. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled ''Section 420—Waiver of Post-Retirement Health Benefits'' (Rev. Rul. 2004–65) received on June 22, 2004; to the Committee on Finance.

EC–8141. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled ''TD 9130: Required Distributions from Retirement Plans'' (RIN1545–BA60) received on June 22, 2004; to the Committee on Finance.

EC–8142. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled ''Administrative Simplification of Section 481(a) Adjustment Periods in Various Regulations'' (RIN1545–BB47) received on June 22, 2004; to the Committee on Finance.

EC–8143. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled ''TD 9132: Changes in Use Under Section 168(i)(5)'' (RIN1545–BB05) received on June 22, 2004; to the Committee on Finance.

EC–8144. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled ''Coordinated Issue: Credit for Increasing Research Activities—Qualified Research Expenses'' received on June 22, 2004; to the Committee on Finance.

EC–8145. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled ''Applicable Federal Rates—July 2004'' (Rev. Rul. 2004–66) received on June 22, 2004; to the Committee on Finance.

EC–8146. A communication from the Chairman, Medicare Payment Advisory Commission, transmitting, pursuant to law, the Commission's report entitled ''Sources of Financial Data on Medicare Providers''; to the Committee on Finance.

EC–8147. A communication from the Chief, Regulations Branch, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Overtime Compensation and Premium Pay for Customs Officers'' (RIN1651–AA59) received on July 22, 2004; to the Committee on Finance.

EC–8148. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

EC–8149. A communication from the Chairman of the Board, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8150. A communication from the Chairman, International Trade Commission, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8151. A communication from the Chairman, Federal Housing Finance Board, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8152. A communication from the Chairman, National Science Board, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8153. A communication from the Secretary of Veterans' Affairs, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8154. A communication from the Attorney General of the United States, transmitting, pursuant to law, the report of the Office of Inspector General for the Department of Justice for the period from October 1, 2003 through March 31, 2004

EC–8155. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8156. A communication from the Director, Peace Corps, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–8157. A communication from the General Counsel, National Labor Relations Board, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8158. A communication from the Chair, Equal Employment Opportunity Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period from October 1, 2003 through March 31, 2004; to the Committee on Governmental Affairs.

EC–8159. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, the Commission's report under the Government in Sunshine Act for Calendar Year 2003; to the Committee on Governmental Affairs.

EC–8160. A communication from the Director, Strategic Human Resources Policy Division, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Federal Employees Health Benefits Program: Removal of Two Option Limitation for Health Benefits Plans and Continuation of Coverage for Annuitants Whose Plan Terminates an Option'' received on June 22, 2004; to the Committee on Governmental Affairs.

EC–8161. A communication from the Director, National Gallery of Art, transmitting, pursuant to law, the Gallery's report of commercial and inherently governmental activities; to the Committee on Governmental Affairs.

## PETITIONS AND MEMORIALS

POM–463. A concurrent resolution adopted by the Senate of the Legislature of the State of Louisiana relative to the National Finance Center in New Orleans, Louisiana; to the Committee on Governmental Affairs.

SENATE CONCURRENT RESOLUTION NO. 47

Whereas, the U.S. Department of Agriculture (USDA) has been the forerunner in the application of computer technology in managing administrative functions; and

Whereas, in 1973, the USDA established the National Finance Center in New Orleans to provide consolidated payroll, personnel, and voucher and invoice payment systems and services to numerous government agencies; and

Whereas, today the National Finance Center in New Orleans also provides systems and support services for several government-wide processes, including the Federal Retirement Thrift Savings Plan; and

Whereas, the National Finance Center has become an asset not only to the government, but also the Greater New Orleans Area; and

Whereas, the National Finance Center in New Orleans employs over twelve hundred local federal employees; and

Whereas, the National Finance Center in New Orleans has recently been criticized by the Federal Retirement Thrift Investment Board (FRTIB), which oversees the Thrift Savings Plan; and

Whereas, the National Finance Center in New Orleans has dedicated over four hundred federal employees to the Thrift Savings Plan, who are responsible for answering phone calls from plan participants, processing loans, sending out statements, and maintaining the computer information systems; and

Whereas, at the request of the FRTIB, the National Finance Center in New Orleans installed a new and untested mainframe computer in order to manage the more than three million one hundred thousand plan participants accounts; and

Whereas, due to the flawed computer system, a problem that exceeded the scope of work performed by the National Finance Center's employees, numerous problems were encountered by the Thrift Savings Plan participants; and

Whereas, the problems were so serious that the National Finance Center became the subject of congressional hearing which questioned the center's ability to effectively manage the Thrift Savings Plan; and

Whereas, as a result of these inquiries, more than four hundred federal employees of the National Finance Center are experiencing a profound loss of moral as they face a future of increasing job uncertainty due to the recent press attacks which have reflected poorly upon their personal work performances; and

Whereas, prior to the installation of this new, untested, and flawed mainframe computer by the FRTIB, the National Finance Center in New Orleans had enjoyed a long history of exemplary service and a solid reputation for its ability to effectively serve the needs of its customers: Therefore, be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to support and expand the operations of the National Finance Center in New Orleans, including the renewal of its contract with the Federal Retirement Thrift Investment Board. Be it further

*Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana delegation to the United States Congress.

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POM–464. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Kentucky relative to legislation to establish English as the official language of the United States; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 242

Whereas, the United States of America is composed of individuals from diverse ethnic, cultural, and linguistic backgrounds, and continues to benefit from its rich diversity; and

Whereas, throughout the history of the United States, the common thread binding individuals of different backgrounds has been the English language; and

Whereas, declaring English as the official language is essential for uniting Americans who now speak more than 329 languages by providing a common means of communication; and

Whereas, U.S. immigrants would be encouraged to learn English in order to use government services and to participate in the democratic process; and

Whereas, learning English would be beneficial to immigrants who become United States Citizens because studies of Census data show that an immigrant's income rises about 30 percent as a result of learning English, leading to the realization of the American dream of increased economic opportunity and the ability to be a productive member of society; and

Whereas, in New York City schools, 54 percent of students who entered English as a Second Language programs in kindergarten scored above the 50th percentile in reading when they reached the 7th grade, compared with under 40 percent for students who entered bilingual programs at the same time; and in mathematics, the gap was even greater, 70 percent versus 51 percent; and

Whereas, the 2000 U.S. Census revealed that 21.3 million Americans, eight percent of the population, are classified as ''limited English proficient,'' a 52 percent increase from 1990, and more than double the 1980 total; and

Whereas, the United States Government's efforts make it easy for immigrants to function in their native languages has not only proven to be expensive for American taxpayers, it has served to keep immigrants linguistically isolated, excluding them from the American ''melting pot'' which truly unites us as a people; and

Whereas, in 1983 the late Senator S. I. Hayakawa, an immigrant himself, founded U.S. English, Incorporated, a group dedicated to preserving the unifying role of the English language in the United States, declaring that ''English is the key to full participation in the opportunities of American life''; and

Whereas, President Theodore Roosevelt stated that ''We have room for but one language here, and that is the English language, for we intend to see that the crucible turns our people out as Americans''; and

Whereas, official English legislation does not mean ''English only'' because it does not prohibit government agencies from using other languages when there is a compelling public interest for doing so, such as protecting public health and safety, assuring equality before the law, promoting tourism, teaching foreign languages, providing for national defense, and many other legitimate, common sense needs: Now, therefore, be it

*Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:*

Section 1. That the Kentucky House of Representatives urges the Congress of the United States of America to enact legislation establishing English as the official language of the United States of America.

Section 2. That the Clerk of the House of Representatives is directed to mail a copy of this Resolution to the Clerk of the United States Senate, the Clerk of the United States House of Representatives, and to each member of Kentucky's Congressional delegation.

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POM–465. A resolution adopted by the House of Representatives of the Legislature of the State of Hawaii relative to legislation to provide access prescription drugs by allowing purchase of prescription drugs from Canada and other countries that meet federal safety requirements; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 47

Whereas, the cost of prescription drugs has risen steadily in recent years, affecting consumers, businesses or employers, and public programs, while the pharmaceutical industry has been named as the most profitable among the Fortune 500 Companies in 2002; and

Whereas, Americans pay more for prescription drugs than in any other industrialized nation; in Canada, for example, a three-month supply of the best selling prescription drug Lipitor is thirty-seven percent cheaper; Paxil is approximately fifty percent cheaper; Vioxx is fifty-eight percent cheaper; and the anti-psychotic drug Risperdal is eighty percent cheaper; and

Whereas, in May 2003, Hawaii's Attorney General joined thirty-seven other attorneys general in a letter to Congress, seeking relief for consumers from the high cost of prescriptions and pointing out that the high cost of many brand-name prescription drugs makes lifesaving medications out of reach for many individuals; and

Whereas, the federal Food and Drug Administration has refused to certify as safe for reimportation prescription medication from Canada and other foreign countries, which would allow United States citizens, state and county governments, and businesses access to prescription drugs at much lower prices; and

Whereas, to justify its refusal, the Food and Drug Administration contends that reimportation from other countries could jeopardize consumer safety because pharmaceuticals from other countries will not be subject to the same requirements imposed by the United States; and

Whereas, a number of governors and mayors already are taking steps to provide prescription drugs from Canada to state employees, retirees, and residents; and

Whereas, in recent legislation, Congress authorized drug reimportation from Canada, giving United States Health and Human Services Secretary Tommy Thompson the authority to grant exceptions to allow states to purchase Canadian drugs for state employees and retirees; and

Whereas, it is likely, however, that the practice of reimportation will remain illegal;

for example, Secretary Thompson quickly denied Illinois Governor Rod Blagojevich's request for an exemption, declaring that he would waive federal regulations only if he could guarantee the safety of prescription drugs from Canada; and

Whereas, recent research indicates that Canada's drug approval system is as stringent as that of the United States and pharmacy practices in the Canadian provinces of Manitoba and Ontario were deemed equal to or superior to pharmacy practice in Illinois; and

Whereas, there is pending federal legislation that will enable the reimportation of prescription drugs from Canada and other industrialized countries that can meet regulatory requirements to ensure that consumers and government agencies have access to safe prescription drugs at reasonable costs: Now be it

*Resolved by the House of Representatives of the Twenty-second Legislature of the State of Hawaii, Regular Session of 2004*, That members of Congress, including Hawaii's congressional delegation, are urged to establish as an immediate priority the passage of legislation that makes safe, affordable prescription drugs accessible to all United States residents through reimportation and other means, including requesting the cooperation of the United States Secretary of Health and Human Services and the Food and Drug Administration; and be it further

*Resolved*, That certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Health and Human Services, the Food and Drug Administration, and members of Hawaii's delegation to the United States Congress.

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POM–466. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Hawaii relative to the Employee Free Choice Act; to the Committee on Health, Education, Labor, and Pensions.

HOUSE CONCURRENT RESOLUTION NO. 195

Whereas, in 1935, the United States established, by law, that workers must be free to form unions; and

Whereas, the freedom to form or join a union is internationally recognized as a fundamental human right; and

Whereas, union membership provides workers better wages and benefits, and protection from discrimination and unsafe workplaces; and

Whereas, unions benefit communities by strengthening tax bases, promoting equal treatment, and enhancing civic participation; and

Whereas, workers want to organize, but are unable to, since more than forty million United States workers say they would join a union now if they had the opportunity; and

Whereas, even though, on paper, America's workers have the freedom to choose for themselves whether to have a union, in reality, workers across the nation are routinely denied that right; and

Whereas, when the right of workers to form a union is violated, wages fall, race and gender pay gaps widen, workplace discrimination increases, and job safety standards disappear; and

Whereas, many thousands of America's workers are routinely threatened, coerced, or fired each year because they attempt to form a union; and

Whereas, most violations of workers' freedom to choose a union occur behind closed doors and each year millions of dollars are spent to frustrate workers' efforts to form unions; and

Whereas, a worker's fundamental right to choose a union is a public issue that requires public policy solutions, including legislative remedies; and

Whereas, the Employee Free Choice Act (S. 1925 and H.R. 3619) has been introduced in the United States Congress in order to restore workers' freedom to join a union; and

Whereas, the Employee Free Choice Act has received broad bipartisan support with over two hundred congressional members as co-sponsors; and

Whereas, at its March 17 meeting, the Hawaii State AFL-CIO Executive Board unanimously endorsed the Employee Free Choice Act: Now, therefore, be it

*Resolved by the House of Representatives of the Twenty-second Legislature of the State of Hawaii, Regular Session of 2004, the Senate concurring*. That the Legislature supports the Employee Free Choice Act (S. 1925 and H.R. 3619), which would:

(1) Authorize the National Labor Relations Board to certify a union as the bargaining representative when a majority of employees voluntarily sign authorizations designating that union to represent them;

(2) Provide for first contract mediation and arbitration; and

(3) Establish meaningful penalties for violations of a worker's freedom to choose a union; and be it further

*Resolved*, That the Legislature urges Hawaii's congressional delegation to support the Employee Free Choice Act and to impel the United States Congress to pass this measure to protect America's workers and preserve their freedom to choose for themselves whether or not to form a union; and be it further

*Resolved*, That certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's congressional delegation.

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POM–467. A resolution adopted by the House of Representatives of the Legislature of the State of Hawaii relative to the No Child Left Behind Act; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 42

Whereas, Hawaii commends President George W. Bush and the No Child Left Behind Act of 2001 for pursuing the laudable goals of increasing student performance and closing the achievement gap; and

Whereas, these are the same goals that states have been pursuing on their own behalf for years—well before the introduction of No Child Left Behind; and

Whereas, many aspects of this law, however, are misplaced and too prescriptive for the State and impose specific requirements on state education agencies; and

Whereas, many of the mandates inherent in No Child Left Behind will impose costs on the State above what it is receiving in federal money and could undermine current programs and policies; and

Whereas, it is unrealistic to require that all subgroups of students—those with disabilities, limited English proficiency—and ethnic and economically disadvantaged backgrounds—reach one hundred percent proficiency or adequate yearly progress, based on the same measures and standards; and

Whereas, it is unfair to identify a school as underperforming based upon the results of one subgroup, without taking into consideration the school's overall performance; and

Whereas, using a value-added model, based upon the growth of individual students from grade to grade, may be more appropriate for states and should be an acceptable option; and

Whereas, identifying an entire school as under-performing based solely on the ninety-five per cent participation requirement for testing is inappropriate and will cause major negative implications to the Hawaii school system; and

Whereas, requiring all teachers and paraprofessionals to meet a ''highly qualified'' definition is inappropriate for a state as remote as Hawaii and threatens to exacerbate current teacher shortages; and

Whereas, Hawaii is not in the proximity of other states that would allow the State to recruit ''highly qualified'' teachers from other areas; and

Whereas, each state is required to expand the frequency and scope of student testing to include testing of all students in reading or language arts and mathematics each year in grades three through eight, beginning in the 2005–2006 school year, and to adopt standards for the teaching of science and develop and administer science assessments by the 2007–2008 school year; and

Whereas, if a Title I (federally funded compensatory education program for low-income and at-risk students) school fails to make ''adequate yearly progress'', then certain consequences will follow. If the failure is:

(1) For two consecutive years, then the state department of education must: (a) give parents the option of transferring their children to another school, including a charter school, at the beginning of the third year, that has not been identified as needing improvement; and (b) provide technical assistance to help the school improve student performance and make adequate yearly progress;

(2) For three consecutive years, then the state department of education must give parents whose children remain at a school that has been identified as needing improvement the option of obtaining supplemental educational services (e.g., tutoring and other enrichment services that are in addition to instruction provided during the school day) for their children at the beginning of the fourth year;

(3) For four consecutive years, then the department must: (a) replace some school staff; (b) implement a new curriculum; (c) decrease the school's management authority; (d) appoint an outside adviser; (e) extend the school day or year; or (f) restructure the internal organization of the school; and

(4) For five consecutive years, then the department must implement one of the following alternative governance arrangements in accordance with the school's restructuring plan: (a) reopen the school as a charter school; (b) replace all or more of the school's staff; or (c) turn management of the school over to a private company; and

Whereas, according to the Department of Education's statistics for the 2002–2003 school year, one hundred sixty-seven of Hawaii's two hundred seventy-six schools, or nearly sixty-one percent, fell short of the federal requirements inherent in No Child Left Behind; and

Whereas, as testing requirements increase, teacher requirements come into affect, and adequate yearly progress benchmarks are raised, the likelihood will increase that more and more schools will not be able to meet these mandates; and

Whereas, there is a realistic possibility that all schools in Hawaii will fall short of the federal mandates within the first several years of the law's implementation; and

Whereas, the State commends the federal government for providing increased levels of federal resources to states for education; and

Whereas, Hawaii relies on federal aid for education, but is concerned that accepting funds related to No Child Left Behind will put the State in the precarious situation of

having to spend its own money in order to meet the mandates of the law: Now, therefore, be it

*Resolved by the House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2004*, That this body requests Congress to amend the No Child Left Behind Act of 2001 to include waivers to help states meet the requirements of this law. Specifically, this body requests a waiver from deeming a school as failing based solely on participation rates; and be it further

*Resolved*, That the State requests the President and Congress to provide the State with sufficient funding necessary to meet the mandate to leave no child behind; and be it further

*Resolved*, That certified copies of this Resolution be transmitted to President George W. Bush, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of Hawaii's congressional delegation, the Chairperson of the Board of Education and the Superintendent of Education.

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POM–468. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to the No Child Left Behind Act; to the Committee on Health, Education, Labor, and Pensions.

HOUSE CONCURRENT RESOLUTION NO. 13

Whereas, on January 8, 2002, President George W. Bush signed into law the ''No Child Left Behind Act'' of 2001 (NCLB), which requires the development of state educational standards, tests to measure against those standards, and collection and reporting of testing data; and

Whereas, NCLB contains several very expensive mandates for which Congress has not provided adequate funds to the states; and

Whereas, costs to individual states associated with NCLB mandates result from implementing assessment and accountability systems, data collection, teacher quality requirements, and new standards for paraprofessionals, among additional factors; and

Whereas, many of the mandates inherent in NCLB inflict costs of the states above what they receive in federal money, and unfunded mandates included in NCLB represent a serious imposition on individual states; and

Whereas, any federal mandate for which there are insufficient funds provided is sure to divert resources away from other laudable objectives of individual states; and

Whereas, adequate federal funding is a necessity if states are to fully meet the goals of NCLB. Therefore, be it

*Resolved*, That the Legislature of Louisiana does hereby urge and request the United States Congress to provide sufficient funding for full implementation of the ''No Child Left Behind Act'' of 2001. Be it further

*Resolved*, That a suitable copy of this Resolution be transmitted to the speaker of the United States House of Representatives, the president of the United States Senate, and each member of Louisiana's congressional delegation.

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POM–469. A resolution adopted by the Board of Commissioners of the County of Cook of the State of Illinois relative to the renewal of the federal ban on military-style assault weapons; to the Committee on the Judiciary.

POM–470. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Hawaii relative to visa processing capacity in the consular section of the United States Embassy in Seoul in the Republic of Korea; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION

Whereas, Hawaii remains one of the premier visitor destinations in the world and tourism remains the backbone of Hawaii's economy; and

Whereas, the United States and the Republic of Korea have a long history of friendly relations; and

Whereas, the Republic of Korea has been a trusted ally for over fifty years, is a major trading partner of the United States, and is the thirteenth largest economy in the world; and

Whereas, January 13, 2003 marked the centennial of the first arrival of Koreans in the United States; and

Whereas, in the past, the number of visitors from the Republic of Korea had reached as high as 100,000 annually; and

Whereas, however, this number has drastically decreased, in part, due to new security requirements prompted by the terrorist acts of September 11, 2001, and the fact that the Republic of Korea is not among the Asian countries currently included in the Visa Waiver Program for visitor entry into the United States; and

Whereas, in fact, among the Asian countries, only Japan and Singapore currently benefit from the Visa Waiver Program through which citizens from those countries may enter the United States without needing to obtain visitor visas; and

Whereas, due to increased security it has become much more difficult for citizens of the Republic of Korea, especially those living outside the capital city of Seoul, to obtain visitor visas that allow travel to the United States; and

Whereas, as part of the required security measures, the Republic of Korea is in the process of installing the equipment needed to enable passports to be machine-readable; and

Whereas, while the Republic of Korea is doing its part in facilitating the processing of travel requirements for its citizens, the United States should do its part in facilitating visitors from the Republic of Korea to travel to this country: Now, therefore, be it

*Resolved by the House of Representatives of the Twenty-second Legislature of the State of Hawaii, Regular Session of 2004, the Senate concurring*, That the Legislature urges the members of Hawaii's congressional delegation to introduce federal legislation to provide additional resources to expand visa processing capacity in the Consular Section of the United States Embassy in Seoul in the Republic of Korea, and to include the Republic of Korea in the Visa Waiver Program; and be it further

*Resolved*, That certified copies of this Concurrent Resolution be transmitted to the members of Hawaii's congressional delegation, the President of the United States, the Speaker of the United States House of Representatives, the President of the United States, the Speaker of the United States Senate, the Secretary of State, the Secretary for Homeland Security, and the Governor.

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POM–471. A concurrent resolution adopted by the Senate of the Legislature of the State of Louisiana relative to a Veterans Clinic in Jennings, Louisiana; to the Committee on Veterans' Affairs.

SENATE CONCURRENT RESOLUTION NO. 60

Whereas, the United States Department of Veterans Affairs has conducted a Capital Asset Realignment for Enhanced Services (CARES) Commission Report to enhance the health care services for veterans dated February 2004; and

Whereas, the goal of CARES is to make a recommendation to the Secretary of Veterans Affairs on realignment and reallocation of Veterans Affairs health care facilities over the next twenty years, focused on accessibility and cost effectiveness, and involved input from veterans, and their families; and

Whereas, the CARES Commission did not recommend the closure of the Jennings Community Based Outpatient Clinic; and

Whereas, the Director of the Veterans Medical Center in Alexandria recommended to the CARES Commission to relocate the Jennings Community Based Outpatient Clinic (CBOC) to Lake Charles, Louisiana, in order to reduce veteran travel; and

Whereas, the Jennings CBOC facility was constructed by the Jennings American Legion Hospital and leased by the Veterans Affairs Medical Center (VAMC) Alexandria for ten years with two years remaining as a special use facility by the Veterans Affairs utilizing Veterans Affairs specifications; and

Whereas, the Jenning CBOC has become a centrally located Veterans Affairs clinic with easy access off of Interstate 10 to provide health care services to veterans of southwest Louisiana; and

Whereas, Louisiana Reserve military forces and National Guard have been activated to preserve freedom, combat terrorism, and enhance human rights in Iraq and Afghanistan; and

Whereas, the proposed closure of Jennings CBOC is a negative signal to our loyal, dedicated, Louisiana military forces in combat who will need community health care in the future; and

Whereas, the United State Department of Veterans Affairs has entered into a twenty year cooperative agreement with the state of Louisiana to construct a veterans nursing home in Jennings, Louisiana, located between the only two American Legion Hospitals in the United States within a few miles of Jennings CBOC; and

Whereas, veterans in southwest Louisiana and in the nursing home would benefit from the close proximity of an outpatient clinic in Jennings that would provide specialized health care in addition to primary care, instead of requiring those disabled World War II, Korean, Vietnam, and Gulf War veterans to travel over a four hour round trip for specialized health care services at VAMC Alexandria; and

Whereas, veterans in the Lake Charles area use the Jennings CBOC and due to the high volume of southwest Louisiana veterans using the Jennings CBOC, another CBOC is required in Lake Charles as recommended by the Director of VAMC Alexandria to the CARES Commission; and

Whereas, the Jennings CBOC is approximately halfway between the Lafayette CBOC and the proposed Lake Charles CBOC, by enhancing the Jennings CBOC to include specialized health care for 66,159 veterans would significantly reduce the time of travel for southwest Louisiana veterans who would otherwise spend over four hours traveling to the middle of Louisiana at VAMC Alexandria. Therefore, be it

*Resolved*, That the Legislature of Louisiana hereby memorializes the United States Congress to continue the operation of the Jennings CBOC by providing primary health care, and expand Veterans Affairs health care services to offer enhanced specialized health care at the centrally located Jennings CBOC, between Lafayette and Lake Charles, Louisiana, to reduce the travel of disabled southwest Louisiana veterans. Be it further

*Resolved*, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana delegation to the United States Congress.

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POM–472. A concurrent resolution adopted by the Senate of the Legislature of the State

of Hawaii relative to Filipino World War II Veterans and their families; to the Committee on Veterans' Affairs.

SENATE CONCURRENT RESOLUTION NO. 97

Whereas, in recognition of the courage and loyalty of the Filipino troops who fought alongside our armed forces in the Philippines during World War II, the United States Congress enacted legislation in 1990 that provided a waiver from certain immigration and naturalization requirements for those Filipino veterans; and

Whereas, as a result of that legislation, many of those Filipino veterans have become proud citizens and residents of this country; and

Whereas, because the 1990 legislation did not go far enough in extending those immigration and naturalization benefits to the children of those veterans, the result has been years long separations between the veterans and their children remaining in the Philippines awaiting the issuance of immigrant visas; and

Whereas, on November 21, 2003, H.R. 3587 was introduced in the United States House of Representatives to amend the Immigration and Naturalization Act to give priority in the issuance of immigration visas to the sons and daughters of Filipino World War II veterans who are or were naturalized citizens of the United States: Now, therefore, be it

*Resolved* by the Senate of the Twenty-second Legislature of the State of Hawaii, Regular Session of 2004, the House of Representatives concurring, That the President of the United States and the United States Congress are urged to support the passage of H.R. 3587 into law; and be it further

*Resolved,* That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's congressional delegation.

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POM–473. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Hawaii relative to benefits for Filipino veterans of World War II; to the Committee on Veterans' Affairs.

HOUSE CONCURRENT RESOLUTION NO. 258

Whereas, on December 8, 1941, thousands of Filipino men and women responded to President Roosevelt's call for help to preserve peace and democracy in the Philippines; and

Whereas, during the dark days of World War II, nearly 100,000 soldiers of the Philippine Commonwealth Army provided a ray of hope in the Pacific as they fought alongside United States and Allied forces for four long years to defend and reclaim the Philippine Islands from Japanese aggression; and

Whereas, thousands more Filipinos joined U.S. Armed Forces immediately after the war and served in occupational duty throughout the Pacific Theater; and

Whereas, valiant Filipino soldiers fought, died, and suffered in some of the bloodiest battles of World War II, defending beleaguered Bataan and Corregidor, and thousands of Filipino prisoners of war endured the infamous Bataan Death March and years of captivity; and

Whereas, their many guerrilla actions slowed the Japanese takeover of the Western Pacific region and allowed U.S. forces the time to build and prepare for the allied counterattack on Japan; and

Whereas, Filipino troops fought side-by-side with U.S. forces to secure their island nation as the strategic base from which the final effort to defeat Japan was launched; and

Whereas, President William J. Clinton proclaimed October 20, 1996, as a day honoring the Filipino Veterans of World War II, recalling the courage, sacrifice, and loyalty of Filipino veterans of World War II in defense of democracy and liberty; and

Whereas, for decades after their heroic service under the command of their leaders and General Douglas MacArthur, these men and women of Filipino-American national heritage were denied the benefits and privileges provided to their American compatriots who fought side-by-side with them; and

Whereas, the Rescission Act of 1946 withdrew the U.S. veteran's status of Filipino World War II soldiers, thereby denying them the benefits and compensation received by their American counterparts and soldiers of more than sixty-six other U.S. allied countries, who were similarly inducted into the U.S. military; and

Whereas, the Rescission Act discriminated against Filipinos, making them the only national group singled out for denial of full U.S. veterans status and benefits; and

Whereas, the passage of S. 68, now pending in the United States Senate, would extend full and equitable benefits, particularly health benefits, to Filipino veterans, considering their advanced age and poor health; and

Whereas, S. 68 proposes to amend Title 38 of the United States Code, to improve benefits for Filipino veterans of World War II and for the surviving spouses of those veterans; and

Whereas, S. 68 would increase the rate of payment of compensation benefits to certain Filipino veterans, designated in Title 38 United States Code section 107(b) and referred to as New Philippine Scouts, who reside in the United States and are United States citizens or lawful permanent resident aliens; and

Whereas, S. 68 would further increase the rate of payment of dependency and indemnity compensation of surviving spouses of certain Filipino veterans; and

Whereas, S. 68 would further make eligible for full disability pensions certain Filipino veterans who reside in the United States and are United States citizens or lawful permanent resident aliens; and

Whereas, S. 68 would further mandate the Secretary of Veterans Affairs to provide hospital and nursing home care and medical services for service-connected disabilities for any Filipino World War II veteran who resides in the United States and is a United States citizen or lawful permanent resident alien; and

Whereas, S. 68 would further require the Secretary of Veterans Affairs to furnish care and services to all Filipino World War II veterans for service-connected disabilities and nonservice-connected disabilities residing in the Republic of the Philippines on an outpatient basis at the Manila VA Outpatient Clinic: Now, therefore be it

*Resolved by the House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2004, the Senate concurring,* That the United States Congress is respectfully urged to support the passage of S. 68 to improve benefits for certain Filipino veterans of World War II; and be it further

*Resolved,* That certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Hawaii Congressional delegation, and the Secretary of Veterans Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Report to accompany S. 2559, an original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes (Rept. No. 108–284).

By Mr. INHOFE, from the Committee on Environment and Public Works, without amendment:

H.R. 1572. To designate the United States courthouse located at 100 North Palafox Street in Pensacola, Florida, as the ''Winston E. Arnow United States Courthouse''.

S. 2385. A bill to designate the United States courthouse at South Federal Place in Santa Fe, New Mexico, as the ''Santiago E. Campos United States Courthouse''.

S. 2398. A bill to designate the Federal building located at 324 Twenty-Fifth Street in Ogden, Utah, as the James V. Hansen Federal Building.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER for the Committee on Armed Services.

Air Force nomination of Lt. Gen. Paul V. Hester.

Air Force nomination of Maj. Gen. Henry A. Obering III.

Air Force nomination of Maj. Gen. John A. Bradley.

Air Force nomination of Maj. Gen. Jeffrey B. Kohler.

Air Force nomination of Maj. Gen. John F. Regni.

Air Force nomination of Maj. Gen. Michael W. Wooley.

Air Force nomination of Lt. Gen. Norton A. Schwartz.

Air Force nomination of Brig. Gen. Charles B. Green.

Air Force nominations beginning Col. Melissa A. Rank and ending Col. Thomas W. Travis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 23, 2004.

Army nomination of Lt. Gen. Richard A. Cody.

Army nomination of George W. Casey, Jr.

Army nomination of Maj. Gen. Carl A. Strock.

Army nomination of Lt. Gen. Colby M. Broadwater III.

Army nomination of Lt. Gen. Joseph R. Inge.

Army nomination of Maj. Gen. Russel L. Honore.

Army nomination of Col. Gale S. Pollock.

Army nomination of Brig. Gen. George W. Weightman.

Army nomination of Brig. Gen. William E. Ingram, Jr.

Army nomination of Colonel James G. Champion.

Army nomination of Col. Frank R. Carlini.

Army nomination of Col. Carla G. Hawley-Bowland.

Army nomination of Col. Douglas A. Pritt.

Army nomination of Col. Thomas T. Galkowski.

Marine Corps nomination of Lt. Gen. Henry P. Osman.

Marine Corps nomination of Lt. Gen. James T. Conway.

Marine Corps nomination of Maj. Gen. John F. Sattler.

Marine Corps nominations beginning Brig. Gen. Robert C.

Dickerson, Jr. and ending Brig. Gen. Richard F. Natonski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 11, 2004.

Navy nomination of Adm. Michael G. Mullen.

Navy nomination of Rear Adm. Donald C. Arthur, Jr.

Navy nomination of Rear Adm. Justin D. McCarthy.

Navy nomination of Rear Adm. Jonathan W. Greenert.

Navy nomination of Rear Adm. Kevin J. Cosgriff.

Navy nomination of Rear Adm. James M. Zortman.

Navy nomination of Rear Adm. James G. Stavridis.

Navy nomination of Rear Adm. John G. Morgan, Jr.

Navy nomination of Rear Adm. Ronald A. Route.

Navy nominations beginning Rear Adm. (lh) John M. Mateczun and ending Rear Adm. (lh) Dennis D. Woofter, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 8, 2003.

Navy nominations beginning Rear Adm. (lh) William V. Alford, Jr. and ending Rear Adm. (lh) Stephen S. Oswald, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nomination of Rear Adm. (lh) Paul V. Shebalin.

Navy nomination of Rear Adm. (lh) Thomas L. Andrews III.

Navy nominations beginning Rear Adm. (lh) Lewis S. Libby III and ending Rear Adm. (lh) Elizabeth M. Morris, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 15, 2004.

Navy nomination of Capt. Karen A. Flaherty.

Navy nomination of Capt. Marshall E. Cusic, Jr.

Navy nomination of Capt. Carol I. B. Turner.

Navy nomination of Capt. Thomas R. Cullison.

Navy nomination of Capt. Jeffrey A. Wieringa.

Navy nomination of Capt. David J. Dorsett.

Navy nomination of Capt. Wayne G. Shear, Jr.

Navy nomination of Capt. Sharon H. Redpath.

Navy nominations beginning Capt. James A. Barnett, Jr. and ending Capt. Robin M. Watters, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 2004.

Navy nomination of Capt. Adam M. Robinson, Jr.

Mr. WARNER. Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORDS on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

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

Air Force nominations beginning Edward Acevedo and ending Scott J. Zobrist, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 2, 2004.

Air Force nominations beginning Mark L. Allred and ending Barr D. Younker, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 2, 2004.

Air Force nominations beginning Brenda R. Bullard and ending Thomas E. Yingst, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 2, 2004.

Air Force nomination of Richard B. Goodwin.

Air Force nominations beginning Jeffrey P. Bowser and ending Gregory W. Johnson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Air Force nominations beginning Bradley D. Bartels and ending William L. Stallings III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Air Force nominations beginning Charles J. Law and ending David A. Weas, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Air Force nominations beginning Lozano Noemi Algarin and ending Barbara L. Wright, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 10, 2004.

Army nominations beginning Christian F. Achleithner and ending Richard J. Windhorn, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 22, 2004.

Army nominations beginning Kevin C. Abbott and ending Mark G. Ziemba, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 22, 2004.

Army nominations beginning Larry P. Adamsthompson and ending Timothy N. Willoughby, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 5, 2004.

Army nominations beginning Gerald V. Howard and ending David L. Weber, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 26, 2004.

Army nomination of John J. Sebastyn.

Army nomination of Elizabeth J. Barnsdale.

Army nominations beginning Raul Gonzalez and ending James F. King, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Army nominations beginning Richard J. Gallant and ending Eric R. Gladman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Army nomination of Randall W. Cowell.

Army nomination of James C. Johnson.

Army nominations beginning Shannon D. Beckett and ending Leonard A. Cromer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Army nomination of David P. Ferris.

Army nominations beginning Donald W. Myers and ending Terry W. Swan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 10, 2004.

Army nominations beginning Edward L. Alexsonshk and ending Edward M. Zoeller, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 10, 2004.

Army nomination of Scott R. Sherretz.

Army nomination of Robert F. Setlik.

Army nomination of Paul R. Disney, Jr.

Army nomination of Eric R. Rhodes.

Army nominations beginning Edwin E. Ahl and ending Mark A. Zerger, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Army nomination of Robert J. Blok.

Marine Corps nomination of Scott P. Haney.

Marine Corps nomination of Michael J. Colburn.

Marine Corps nomination of Michelle A. Rakers.

Navy nomination of James K. Colton.

Navy nominations beginning Kevin S. Lerette and ending Kathleen M. Lindenmayer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Victor M. Beck and ending Elizabeth A. Jones, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Edmund F. Cataldo III and ending Gary S. Petti, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Elizabeth A. Carlos and ending Philip C. Wheeler, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Paul L. Albin and ending Mark E. Svenningsen, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning John L. Bartley and ending Joseph A. Schmidt, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Richard A. Colonna and ending Timothy J. Werre, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning John M. Burns and ending Roger W. Turner, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Dan D. Ashcraft and ending John E. Vastardis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Rodman P. Abbott and ending Steven Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning James S. Bailey and ending Jeffrey B. Wilson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nominations beginning Richard S. Morgan and ending Terry L.M. Swinney, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 29, 2004.

Navy nomination of Susan C. Farrar.

Navy nominations beginning William J. Alderson and ending Harold E. Pittman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Aaron L. Bowman and ending Maude E. Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Thomas J. Brovarone and ending Mark R. Whitney, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Kent R. Aitcheson and ending Kevin S. Zumbar, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Richard L. Archey and ending Fred C. Smith, which

nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Thomas H. Bond, Jr. and ending Pamela J. Wynfield, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Kenneth R. Campitelli and ending Timothy S. Matthews, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Jeffrey J. Burtch and ending Jan E. Tighe, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Edwin J. Burdick and ending Stephen K. Tibbitts, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Andrew Brown III and ending Jonathan W. White, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nominations beginning Jerry R. Anderson and ending James E. Knapp, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 20, 2004.

Navy nomination of Joseph P. Costello.

Navy nominations beginning Ralph W. Corey III and ending Edward S. White, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 1, 2004.

Navy nominations beginning Tobias J. Bacaner and ending Scott W. Zackowski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Charlene M. Auld and ending Scott M. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Don C.B. Albia and ending Gregg W. Ziemke, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Brenda C. Baker and ending Maureen J. Zeller, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Michael J. Arnold and ending Dana S. Weiner, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Stephen S. Bell and ending James A. Worcester, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning William D. Devine and ending Paul R. Wrigley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Edward L. Austin and ending David H. Waterman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Carla C. Blair and ending Cynthia M. Womble, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Nora A. Burghardt and ending Craig J. Washington, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Terry S. Barrett and ending Dean A. Wilson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Danelle M. Barrett and ending Michael L. Thrall, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Michael D. Bosley and ending Kevin D. Ziomek, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning William H. Anderson and ending Frank D. Whitworth, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Thomas W. Armstrong and ending Richard A. Thiel, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Joseph R. Brenner, Jr. and ending Greg A. Ulses, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Todd S. Bockwoldt and ending Forrest Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nominations beginning Steven W. Antcliff and ending Mark W. Yates, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 8, 2004.

Navy nomination of Richard L. Curbello.

Navy nominations beginning Louis E. Giordano and ending Robert A. Little, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning James O. Cravens and ending Ronald J. Wells, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Stephen W. Bailey and ending Gary F. Woerz, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Joseph J. Albanese and ending Steven L. Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Benjamin M. Abalos and ending Glenn T. Ware, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Patrick S. Agnew and ending Douglas R. Toothman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Mark J. Belton and ending Robert E. Tolin, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Civita M. Allard and ending Ann N. Tescher, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nominations beginning Richard D. Baertlein and ending Jeffrey G. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 14, 2004.

Navy nomination of Carlos Varona.

(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 Mrs. CLINTON (for herself, Ms. COLLINS, and Mr. BREAUX):

S. 2572. A bill to amend the Older Americans Act of 1965 to provide for mental health screening and treatment services, to amend the Public Health Service Act to provide for integration of mental health services and mental health treatment outreach teams, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CLINTON:

S. 2573. A bill to amend title 38, United States Code, to provide for the payment of a monthly stipend to the surviving parents (known as ''Gold Star parents'') of members of the Armed Forces who die during a period of war; to the Committee on Veterans' Affairs.

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 2574. A bill to provide for the establishment of the National Institutes of Health Police, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. BOXER (for herself and Mr. SMITH):

S. 2575. A bill to direct the Secretary of Agriculture to conduct research, monitoring, management, treatment, and outreach activities relating to sudden oak death syndrome and to convene regular meetings of, or conduct regular consultations with, Federal, State, tribal, and local government officials to provide recommendations on how to carry out those activities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. FEINGOLD:

S. 2576. A bill to establish an expedited procedure for congressional consideration of health care reform legislation; to the Committee on Rules and Administration.

By Mrs. CLINTON:

S. 2577. A bill to provide incentives to promote broadband, telecommunications services in rural America, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON:

S. 2578. A bill to provide grants and other incentives to promote new communications technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON:

S. 2579. A bill to expand the Manufacturing Extension Program to bring the new economy to small and medium-sized businesses; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON:

S. 2580. A bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to holders of bonds financing new communications technologies, and for other purposes; to the Committee on Finance.

By Mrs. CLINTON:

S. 2581. A bill to establish a grant program to support cluster-based economic development efforts; to the Committee on Environment and Public Works.

By Mrs. CLINTON:

S. 2582. A bill to establish a grant program to support broadband-based economic development efforts; to the Committee on Environment and Public Works.

By Mrs. CLINTON:

S. 2583. A bill to promote the use of anaerobic digesters by agricultural producers and rural small businesses to produce renewable

energy and improve environmental quality; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. CLINTON:

S. 2584. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for farmers' investments in value-added agriculture; to the Committee on Finance.

By Mrs. CLINTON:

S. 2585. A bill to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit for small business jobs creation; to the Committee on Finance.

By Mrs. CLINTON:

S. 2586. A bill to establish regional skills alliances, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. STABENOW (for herself and Mrs. HUTCHISON):

S. 2587. A bill to amend title XVIII of the Social Security Act to adjust the amount of payment under the physician fee schedule for drug administration services furnished to medicare beneficiaries; to the Committee on Finance.

By Mr. BAYH (for himself, Mr. LEVIN, and Mr. BINGAMAN):

S. 2588. A bill to authorize appropriations for fiscal year 2005 and succeeding fiscal years for the Manufacturing Extension Partnership program of the National Institute of Standards and Technology; to the Committee on Commerce, Science, and Transportation.

By Mr. BUNNING (for himself, Mr. GRAHAM of Florida, Mr. SMITH, Mr. HATCH, Mr. CHAMBLISS, Mr. MILLER, Mr. DODD, and Mr. CONRAD):

S. 2589. A bill to clarify the status of certain retirement plans and the organizations which maintain the plans; to the Committee on Finance.

By Mr. ALEXANDER (for himself and Ms. LANDRIEU):

S. 2590. A bill to provide a conservation royalty from Outer Continental Shelf revenues to establish the Coastal Impact Assistance Program, to provide assistance to States under the Land and Water Conservation Fund Act of 1965, to ensure adequate funding for conserving and restoring wildlife, to assist local governments in improving local park and recreation systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. CLINTON:

S. 2591. A bill to provide for business incubator activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CONRAD (for himself and Mr. DORGAN):

S. 2592. A bill to provide crop and livestock disaster assistance; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. LINCOLN (for herself, Mr. REID, Mr. GRAHAM of Florida, Mr. KERRY, Ms. MIKULSKI, Mr. REED, Mr. SARBANES, Mr. BREAUX, Ms. COLLINS, Ms. LANDRIEU, Mrs. MURRAY, and Mrs. CLINTON):

S. 2593. A bill to amend title XVIII of the Social Security Act to provide medicare beneficiaries with access to geriatric assessments and chronic care management, and for other purposes; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 2594. A bill to reduce health care disparities and improve health care quality, to improve the collection of racial, ethnic, primary language, and socio-economic determination data for use by healthcare researchers and policymakers, to provide performance incentives for high performing hospitals and community health centers, and to expand current Federal programs seeking to eliminate health disparities; to the Committee on Finance.

By Mr. GREGG (for himself, Mr. HARKIN, Mr. ROBERTS , Mr. KENNEDY, Mr. REED, Mrs. MURRAY, Mr. JEFFORDS, Mr. ENZI, and Mr. DODD):

S. 2595. A bill to establish State grant programs related to assistive technology and protection and advocacy services, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DURBIN (for himself and Mr. FITZGERALD):

S. 2596. A bill to name the Department of Veterans Affairs outpatient clinic located in Peoria, Illinois, as the ''Bob Michel Department of Veterans Affairs Outpatient Clinic''; to the Committee on Veterans' Affairs.

By Mr. SCHUMER (for himself, Ms. MIKULSKI, Mr. CORZINE, Mrs. CLINTON, Mr. LEAHY, Ms. STABENOW, Mr. SARBANES, and Mr. NELSON of Florida):

S. 2597. A bill to require the Secretary of Health and Human Services to establish and maintain an Internet website that is designed to allow consumers to compare the usual and customary prices for covered outpatient drugs sold by retail pharmacies that participate in the medicaid program for each postal Zip Code, and for other purposes; to the Committee on Finance.

By Mr. AKAKA (for himself, Mr. LAUTENBERG, Mr. LEVIN, Mrs. FEINSTEIN, Mr. WYDEN, and Mr. INOUYE):

S. 2598. A bill to protect, conserve, and restore public land administered by the Department of the Interior or the Forest Service and adjacent land through cooperative cost-shared grants to control and mitigate the spread of invasive species, and for other purposes; to the Committee on Energy and Natural Resources.

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

S. 2599. A bill to strengthen anti-terrorism investigative tools, to enhance prevention and prosecution of terrorist crimes, to combat terrorism financing, to improve border and transportation security, and for other purposes; to the Committee on the Judiciary.

By Mrs. CLINTON (for herself, Mr. LEVIN, Mr. DODD, Ms. CANTWELL, Mr. SARBANES, Mr. SCHUMER, Ms. LANDRIEU, Mr. SANTORUM, Mr. LIEBERMAN, Mrs. BOXER, Mr. SPECTER, Mr. ALEXANDER, Ms. STABENOW, Mrs. FEINSTEIN, Mrs. HUTCHISON, Ms. MIKULSKI, Ms. COLLINS, Mr. CORZINE, and Mr. PRYOR):

S. 2600. A bill to direct the Architect of the Capitol to enter into a contract to revise the statue commemorating women's suffrage located in the rotunda of the United States Capitol to include a likeness of Sojourner Truth; to the Committee on Rules and Administration.

By Mr. LAUTENBERG:

S. 2601. A bill to amend title 37, United States Code, to require the payment of monthly special pay for members of the uniformed services whose service on active duty is extended by a stop-loss order or similar mechanism, and for other purposes; to the Committee on Armed Services.

By Mr. DODD (for himself and Mr. BENNETT):

S. 2602. A bill to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SMITH (for himself, Mr. ALLEN, Mr. HOLLINGS , and Mr. SUNUNU):

S. 2603. A bill to amend section 227 of the Communications Act of 1934 (47 U.S.C. 227) relating to the prohibition on junk fax transmissions; to the Committee on Commerce, Science, and Transportation.

By Mr. SMITH (for himself and Mr. BREAUX):

S. 2604. A bill to amend the Internal Revenue Code of 1986 to reduce the recognition period for built-ins gains for subchapter S corporations; to the Committee on Finance.

By Mr. CRAIG (for himself and Mr. CRAPO):

S. 2605. A bill to direct the Secretary of the Interior and the heads of other Federal agencies to carry out an agreement resolving major issues relating to the adjudication of water rights in the Snake River Basin, Idaho, and for other purposes; to the Committee on Indian 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. NELSON of Florida:

S. Res. 391. A resolution designating the second week of December 2004 as ''Conversations Before the Crisis Week''; to the Committee on the Judiciary.

By Mr. BINGAMAN (for himself, Mrs. HUTCHISON, and Ms. LANDRIEU):

S. Res. 392. A resolution conveying the sympathy of the Senate to the families of the young women murdered in the State of Chihuahua, Mexico, and encouraging increased United States involvement in bringing an end to these crimes; to the Committee on Foreign Relations.

By Mr. FRIST (for himself, Mr. DASCHLE, Mr. LEVIN, Mr. NELSON of Florida, Mrs. BOXER, Mr. LIEBERMAN , Ms. MIKULSKI, Ms. LANDRIEU, Mr. CORZINE, Mr. LAUTENBERG, and Mr. VOINOVICH):

S. Res. 393. A resolution expressing the sense of the Senate in support of United States policy for a Middle East peace process; considered and agreed to.

By Mr. FRIST (for himself and Mr. DASCHLE):

S. Res. 394. A resolution to authorize testimony and representation in United States v. Daniel Bayly, et al; considered and agreed to.

By Mr. FRIST (for himself and Mr. DASCHLE):

S. Res. 395. A resolution to authorize testimony, document production, and legal representation in Ulysses J. Ward v. Dep't of the Army; considered and agreed to.

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. Res. 396. A resolution commemorating the 150th anniversary of the founding of The Pennsylvania State University; considered and agreed to.

By Mr. FRIST (for himself, Mr. DASCHLE, Mr. LUGAR, Mr. SESSIONS, Mr. LIEBERMAN, Mr. GRAHAM of South Carolina, and Mr. BIDEN):

S. Res. 397. A resolution expressing the sense of the Senate on the transition of Iraq to a constitutionally elected government; considered and agreed to.

By Mr. FRIST:

S. Con. Res. 120. A concurrent resolution providing for a conditional adjournment or recess of the Senate and the House of Representatives; considered and agreed to.

## ADDITIONAL COSPONSORS

S. 310

At the request of Mr. THOMAS, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator

from Illinois (Mr. DURBIN) were added as cosponsors of S. 310, a bill to amend title XVIII of the Social Security Act to provide for the coverage of marriage and family therapist services and mental health counselor services under part B of the medicare program, and for other purposes.

S. 344

At the request of Mr. AKAKA, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 344, a bill expressing the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity, and for other purposes.

S. 488

At the request of Mr. DORGAN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 488, a bill to amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for electricity produced from wind.

S. 556

At the request of Mr. CAMPBELL, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 556, a bill to amend the Indian Health Care Improvement Act to revise and extend that Act.

S. 617

At the request of Mr. LIEBERMAN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 617, a bill to provide for full voting representation in Congress for the citizens of the District of Columbia, and for other purposes.

S. 738

At the request of Mrs. BOXER, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 738, a bill to designate certain public lands in Humboldt, Del Norte, Mendocino, Lake, Napa, and Yolo Counties in the State of California as wilderness, to designate certain segments of the Black Butte River in Mendocino County, California as a wild or scenic river, and for other purposes.

S. 875

At the request of Mr. SPECTER, his name was added as a cosponsor of S. 875, a bill to amend the Internal Revenue Code of 1986 to allow an income tax credit for the provision of homeownership and community development, and for other purposes.

S. 1010

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 1010, a bill to enhance and further research into paralysis and to improve rehabilitation and the quality of life for persons living with paralysis and other physical disabilities.

S. 1129

At the request of Mrs. FEINSTEIN, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1129, a bill to provide for the protection of unaccompanied alien children, and for other purposes.

S. 1735

At the request of Mr. CAMPBELL, his name was withdrawn as a cosponsor of S. 1735, a bill to increase and enhance law enforcement resources committed to investigation and prosecution of violent gangs, to deter and punish violent gang crime, to protect law abiding citizens and communities from violent criminals, to revise and enhance criminal penalties for violent crimes, to reform and facilitate prosecution of juvenile gang members who commit violent crimes, to expand and improve gang prevention programs, and for other purposes.

S. 1945

At the request of Mr. MCCAIN, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1945, a bill to amend the Public Health Service Act and the Employee Retirement Income Security Act of 1974 to protect consumers in managed care plans and other health coverage.

S. 2062

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2062, a bill to amend the procedures that apply to consideration of interstate class actions to assure fairer outcomes for class members and defendants, and for other purposes.

S. 2138

At the request of Mr. GRAHAM of South Carolina, the names of the Senator from Alabama (Mr. SESSIONS), the Senator from Georgia (Mr. MILLER), the Senator from California (Mrs. FEINSTEIN) and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of S. 2138, a bill to protect the rights of American consumers to diagnose, service, and repair motor vehicles purchased in the United States, and for other purposes.

S. 2278

At the request of Mr. ENSIGN, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S. 2278, a bill to amend title 28, United States Code, to provide for the appointment of additional Federal circuit judges, to divide the Ninth Judicial Circuit of the United States into 3 circuits, and for other purposes.

S. 2328

At the request of Mr. DORGAN, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 2328, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the importation of prescription drugs, and for other purposes.

S. 2363

At the request of Mr. COLEMAN, his name was added as a cosponsor of S. 2363, a bill to revise and extend the Boys and Girls Clubs of America.

S. 2417

At the request of Mr. COLEMAN, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 2417, a bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to furnish care for newborn children of women veterans receiving maternity care, and for other purposes.

S. 2422

At the request of Mr. SMITH, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2422, a bill to amend the Internal Revenue Code of 1986 to allow certain modifications to be made to qualified mortgages held by a REMIC or a grantor trust.

S. 2433

At the request of Mr. THOMAS, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 2433, a bill to amend the Internal Revenue Code of 1986 to allow self-employed individuals to deduct health insurance costs in computing self-employment taxes.

S. 2447

At the request of Mr. LIEBERMAN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 2447, a bill to amend the Public Health Service Act to authorize funding for the establishment of a program on children and the media within the National Institute of Child Health and Human Development to study the role and impact of electronic media in the development of children.

S. 2522

At the request of Mr. CORZINE, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 2522, a bill to amend title 38, United States Code, to increase the maximum amount of home loan guaranty available under the home loan guaranty program of the Department of Veterans Affairs, and for other purposes.

S. 2529

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 2529, a bill to extend and modify the trade benefits under the African Growth and Opportunity Act.

S. 2533

At the request of Ms. MIKULSKI, the names of the Senator from Kansas (Mr. BROWNBACK), the Senator from Alabama (Mr. SHELBY) and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of S. 2533, a bill to amend the Public Health Service Act to fund breakthroughs in Alzheimer's disease research while providing more help to caregivers and increasing public education about prevention.

S. 2535

At the request of Mr. GRAHAM of Florida, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 2535, a bill to amend title XVIII of the Social Security Act to modernize the medicare program by ensuring that appropriate preventive services are covered under such program.

S. 2566

At the request of Mr. BINGAMAN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 2566, a bill to amend title II of the Social Security Act to phase out the 24-month waiting period for disabled individuals to become eligible for medicare benefits, to eliminate the waiting period for individuals with life-threatening conditions, and for other purposes.

S. 2569

At the request of Ms. SNOWE, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 2569, a bill to amend section 227 of the Communications Act of 1934 to clarify the prohibition on junk fax transmissions.

S. CON. RES. 78

At the request of Mr. LIEBERMAN, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. Con. Res. 78, a concurrent resolution condemning the repression of the Iranian Baha'i community and calling for the emancipation of Iranian Baha'is.

S. CON. RES. 110

At the request of Mr. CAMPBELL, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. Con. Res. 110, a concurrent resolution expressing the sense of Congress in support of the ongoing work of the Organization for Security and Cooperation in Europe (OSCE) in combating anti-Semitism, racism, xenophobia, discrimination, intolerance, and related violence.

S. CON. RES. 119

At the request of Mr. CAMPBELL, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. Con. Res. 119, a concurrent resolution recognizing that prevention of suicide is a compelling national priority.

S. RES. 311

At the request of Mr. BROWNBACK, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of 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.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. CLINTON (for herself, Ms. COLLINS, and Mr. BREAUX):

S. 2572. A bill to amend the Older Americans Act of 1965 to provide for mental health screening and treatment services, to amend the Public Health Service Act to provide for integration of mental health services and mental health treatment outreach teams, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mrs. CLINTON. Mr. President, today, I rise to introduce the Positive Aging Act of 2004 to improve the accessibility and quality of mental health services for our rapidly growing population of older Americans with my colleagues Senators BREAUX and COLLINS. Representatives PATRICK KENNEDY and ILEANA ROS-LEHTINEN are also introducing a companion bill in the House this afternoon.

My colleagues JOHN BREAUX and PATRICK KENNEDY introduced this bill initially to focus on mental health programs, and with constituent input we decided to broaden it to involve the aging community as well. I want to acknowledge our partners from both the mental health and aging organizations who have collaborated with us and been working hard on these issues for a long time.

Our significant success in extending the life span of older adults has created a set of challenges related to the quality of life for American's senior citizens. It is critically important now to focus on making the extra years of life as productive and healthy as possible. This legislation is designed to do just that. It puts mental health services on a par with other primary care services in community settings that are easily accessible to the elderly. I firmly believe we must integrate mental health services with other essential primary care.

The Surgeon General's report on mental health in 1999 told us that disability due to mental illness in the elderly population is fast becoming a major public health problem. Depression, dementia, anxiety, and substance abuse are growing problems among older Americans that result in functional dependence, long-term institutional care and reduced quality of life.

Nearly 20 percent of those over age 55 experience mental illnesses that are not a part of ''normal'' aging, and are all too frequently undetected and untreated. The real tragedy is that we can effectively treat many of these conditions, but in far too many instances we are not making such treatments available. Unrecognized and untreated mental illness among elderly adults can be traced to gaps in training of health professionals, and in our failure to fully integrate mental health screening and treatment with other health services. Far too often physicians and other health professionals fail to recognize the signs and symptoms of mental illness. More troubling, knowledge about effective interventions is simply not accessible to many primary care practitioners.

Research has shown that treatment of mental illnesses can reduce the need for other health services and can improve health outcomes for those with other chronic diseases. These missed opportunities to diagnose and treat mental diseases are taking a huge toll on the elderly and increasing the burden on their families and our health care system.

I know there are a number of reasons for our failure to meet the mental health needs of our seniors. Regrettably, acknowledging and seeking mental health care can be impeded by the stigma associated with mental illness. In addition, Medicare benefit discrimination related to coverage of mental health services continues to be a barrier to appropriate care for the elderly.

Finally, the lack of coverage for prescription drugs in Medicare has until now imposed significant financial burdens on many older Americans. Notwithstanding the addition of a limited Medicare drug benefit, there remains the potential that drugs needed for the treatment of mental illness will be treated unfairly through formulary restrictions, prior authorization, and higher out-of-pocket expenses. We must be especially vigilant in our oversight of this benefit to prevent such discrimination on behalf of the millions of older Americans with mental illnesses.

The bill we are introducing today provides new authorities and resources to the Administration on Aging (AOA) and the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Department of Health and Human Services. For over 35 years, the AOA has provided home and community-based services to millions of older persons through the programs funded under the Older Americans Act. SAMHSA provides block grants to the States and other financial support to develop and apply best practices in the identification and treatment of mental diseases at the community level. Working together these agencies have the potential for strengthening and extending the delivery of mental health services to older Americans.

This legislation focuses on getting mental health services to community sites where primary care and other social services are provided. It will promote the integration of mental health services and the use of evidence-based practice protocols. This approach has the advantage of building on existing structures and programs, and ''mainstreaming'' mental health care for these vulnerable populations.

The bill authorizes AOA to make formula grants to the states for the development and operation of systems for providing mental health screening and treatment services to older Americans. These funds may also be used for outreach programs to increase public awareness of the availability and effectiveness of mental health assessments and treatment. Priority will be given to areas that are medically underserved and include significant numbers of older adults. States will be required to coordinate projects with existing community agencies and voluntary organizations offering services to the targeted populations.

This legislation also establishes new grant authorities at AOA to support development and operation of projects for screening and treating mental illness among seniors in rural and urban areas.

Multidisciplinary teams of mental health professionals relying on evidence-based intervention and treatment protocols are required to deliver these services. To the maximum extent possible, the grants will be coordinated with activities in senior centers, adult day care programs, and naturally occurring retirement centers (NORCs).

This legislation also authorizes two new grant programs at SAMHSA to provide new resources to support mental health screening and treatment services in clinical settings. Primary care sites serving a geriatric patient population such as public or private nonprofit community health centers or private practices would be eligible for one of these new grant programs.

The other program will provide support for geriatric mental health outreach teams to foster collaboration between clinical sites and senior centers, assisted living facilities, and other social or residential service centers.

Since the projects supported by these new grant programs are based in clinical settings, these funds will help to inform primary care practitioners and increase their capabilities in screening and treatment for mental illness. These projects build on existing health care delivery systems and extend their reach to low-income seniors in the community.

I expect these demonstrations will be a catalyst for breaking down the barriers that have limited access to mental health services and retarded the dissemination of evidence-based protocols in the primary care setting. I have specifically set a priority for projects to serve a variety of populations, including racial and ethnic minorities and low-income populations, in both rural and urban areas.

Finally, we have included in this bill several administrative provisions to raise the profile of mental health services for older adults at AOA and SAMHSA. A new Office of Older Adult Mental Health Services is established at AOA to provide a senior level focus for initiatives to improve the access of seniors to appropriate mental health screening and treatment services. At SAMHSA, the bill creates a new deputy director for geriatric mental health services within the Center for Mental Health Services to develop and implement targeted programs for older adults.

There are practical and immediate opportunities to improve mental health care for older Americans. This legislation can help to target our resources on identifying and treating a population at high risk for disability and dependence.

We have an obligation to take what is known about effective treatments and improve the quality of life and overall health of millions of seniors. It's not only the right thing to do; it's also an investment that will return enormous dividends in terms of more economical use of health resources, improved patient outcomes, and a better quality of life for older Americans. 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. 2572

*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 ''Positive Aging Act of 2004''.

**TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965**

**SEC. 101. DEFINITIONS.**

Section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002) is amended by adding at the end the following:

''(44) MENTAL HEALTH SCREENING AND TREATMENT SERVICES.—The term 'mental health screening and treatment services' means patient screening, diagnostic services, care planning and oversight, therapeutic interventions, and referrals that are—

''(A) provided pursuant to evidence-based intervention and treatment protocols (to the extent such protocols are available) for mental disorders prevalent in older individuals (including, but not limited to, mood and anxiety disorders, dementias of all kinds, psychotic disorders, and substances and alcohol abuse), relying to the greatest extent feasible on protocols that have been developed—

''(i) by or under the auspices of the Secretary; or

''(ii) by academicians with expertise in mental health and aging; and

''(B) coordinated and integrated with the services of social service, mental health, and health care providers in an area in order to—

''(i) improve patient outcomes; and

''(ii) assure, to the maximum extent feasible, the continuing independence of older individuals who are residing in the area.''.

**SEC. 102. OFFICE OF OLDER ADULT MENTAL HEALTH SERVICES.**

Section 301(b) of the Older Americans Act of 1965 (42 U.S.C. 3021(b)) is amended by adding at the end the following:

''(3) The Assistant Secretary shall establish within the Administration an Office of Older Adult Mental Health Services, which shall be responsible for the development and implementation of initiatives to address the mental health needs of older individuals.''.

**SEC. 103. GRANTS TO STATES FOR THE DEVELOPMENT AND OPERATION OF SYSTEMS FOR PROVIDING MENTAL HEALTH SCREENING AND TREATMENT SERVICES TO OLDER INDIVIDUALS LACKING ACCESS TO SUCH SERVICES.**

Title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.) is amended—

(1) in section 303 (42 U.S.C. 3023), by adding at the end the following:

''(f) There are authorized to be appropriated to carry out part F (relating to grants for programs providing mental health screening and treatment services) such sums as may be necessary for fiscal year 2005 and each of the 5 succeeding fiscal years.'';

(2) in section 304(a)(1) (42 U.S.C. 3024(a)(1)), by inserting ''and subsection (f)'' after ''through (d)''; and

(3) by adding at the end the following:

**''PART F—MENTAL HEALTH SCREENING AND TREATMENT SERVICES FOR OLDER INDIVIDUALS**

**''SEC. 381. GRANTS TO STATES FOR PROGRAMS PROVIDING MENTAL HEALTH SCREENING AND TREATMENT SERVICES FOR OLDER INDIVIDUALS.**

''(a) PROGRAM AUTHORIZED.—The Assistant Secretary shall carry out a program for making grants to States under State plans approved under section 307 for the development and operation of—

''(1) systems for the delivery of mental health screening and treatment services for older individuals who lack access to such services; and

''(2) programs to—

''(A) increase public awareness regarding the benefits of prevention and treatment of mental disorders; and

''(B) reduce the stigma associated with mental disorders and other barriers to the diagnosis and treatment of the disorders.

''(b) STATE ALLOCATION AND PRIORITIES.—A State agency that receives funds through a grant made under this section shall allocate the funds to area agencies on aging to carry out this part in planning and service areas in the State. In allocating the funds, the State agency shall give priority to planning and service areas in the State—

''(1) that are medically underserved; and

''(2) in which there are a large number of older individuals.

''(c) AREA COORDINATION OF SERVICES WITH OTHER PROVIDERS.—In carrying out this part, to more efficiently and effectively deliver services to older individuals, each area agency on aging shall—

''(1) coordinate services described in subsection (a) with other community agencies, and voluntary organizations, providing similar or related services; and

''(2) to the greatest extent practicable, integrate outreach and educational activities with existing (as of the date of the integration) health care and social service providers serving older individuals in the planning and service area involved.

''(d) RELATIONSHIP TO OTHER FUNDING SOURCES.—Funds made available under this part shall supplement, and not supplant, any Federal, State, and local funds expended by a State or unit of general purpose local government (including an area agency on aging) to provide the services described in subsection (a).''.

**SEC. 104. DEMONSTRATION PROJECTS PROVIDING MENTAL HEALTH SCREENING AND TREATMENT SERVICES TO OLDER INDIVIDUALS LIVING IN RURAL AREAS.**

The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended—

(1) by inserting before section 401 (42 U.S.C. 3031) the following:

**''TITLE IV—GRANTS FOR EDUCATION, TRAINING, AND RESEARCH'';**

and

(2) in part A of title IV (42 U.S.C. 3032 et seq.), by adding at the end the following:

**''SEC. 422. DEMONSTRATION PROJECTS PROVIDING MENTAL HEALTH SCREENING AND TREATMENT SERVICES TO OLDER INDIVIDUALS LIVING IN RURAL AREAS.**

''(a) DEFINITION.—In this section, the term 'rural area' means—

''(1) any area that is outside a metropolitan statistical area (as defined by the Director of the Office of Management and Budget); or

''(2) such similar area as the Secretary specifies in a regulation issued under section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

''(b) AUTHORITY.—The Assistant Secretary shall make grants to eligible public agencies and nonprofit private organizations to pay part or all of the cost of developing or operating model health care service projects involving the provision of mental health screening and treatment services to older individuals residing in rural areas.

''(c) DURATION.—Grants made under this section shall be made for 3-year periods.

''(d) APPLICATION.—To be eligible to receive a grant under this section, a public

agency or nonprofit private organization shall submit to the Assistant Secretary an application containing such information and assurances as the Secretary may require, including—

''(1) information describing—

''(A) the geographic area and target population (including the racial and ethnic composition of the target population) to be served by the project; and

''(B) the nature and extent of the applicant's experience in providing mental health screening and treatment services of the type to be provided in the project;

''(2) assurances that the applicant will carry out the project—

''(A) through a multidisciplinary team of licensed mental health professionals;

''(B) using evidence-based intervention and treatment protocols to the extent such protocols are available;

''(C) using telecommunications technologies as appropriate and available; and

''(D) in coordination with other providers of health care and social services (such as senior centers and adult day care providers) serving the area; and

''(3) assurances that the applicant will conduct and submit to the Assistant Secretary such evaluations and reports as the Assistant Secretary may require.

''(e) REPORTS.—The Assistant Secretary shall prepare and submit to the appropriate committees of Congress a report that includes summaries of the evaluations and reports required under subsection (d)(3).

''(f) COORDINATION.—The Assistant Secretary shall provide for appropriate coordination of programs and activities receiving funds pursuant to a grant under this section with programs and activities receiving funds pursuant to grants under sections 381 and 423, and sections 520K and 520L of the Public Health Service Act.''.

**SEC. 105. DEMONSTRATION PROJECTS PROVIDING MENTAL HEALTH SCREENING AND TREATMENT SERVICES TO OLDER INDIVIDUALS LIVING IN NATURALLY OCCURRING RETIREMENT COMMUNITIES IN URBAN AREAS.**

Part A of title IV of the Older Americans Act of 1965 (42 U.S.C. 3032 et seq.), as amended by section 104, is further amended by adding at the end the following:

**''SEC. 423. DEMONSTRATION PROJECTS PROVIDING MENTAL HEALTH SCREENING AND TREATMENT SERVICES TO OLDER INDIVIDUALS LIVING IN NATURALLY OCCURRING RETIREMENT COMMUNITIES IN URBAN AREAS.**

''(a) DEFINITIONS.—In this section:

''(1) NATURALLY OCCURRING RETIREMENT COMMUNITY.—The term 'naturally occurring retirement community' means a residential area (such as an apartment building, housing complex or development, or neighborhood) not originally built for older individuals but in which a substantial number of individuals have aged in place (and become older individuals) while residing in such area.

''(2) URBAN AREA.—The term 'urban area' means—

''(A) a metropolitan statistical area (as defined by the Director of the Office of Management and Budget); or

''(B) such similar area as the Secretary specifies in a regulation issued under section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

''(b) AUTHORITY.—The Assistant Secretary shall make grants to eligible public agencies and nonprofit private organizations to pay part or all of the cost of developing or operating model health care service projects involving the provision of mental health screening and treatment services to older individuals residing in naturally occurring retirement communities located in urban areas.

''(c) DURATION.—Grants made under this section shall be made for 3-year periods.

''(d) APPLICATION.—To be eligible to receive a grant under this section, a public agency or nonprofit private organization shall submit to the Assistant Secretary an application containing such information and assurances as the Secretary may require, including—

''(1) information describing—

''(A) the naturally occurring retirement community and target population (including the racial and ethnic composition of the target population) to be served by the project; and

''(B) the nature and extent of the applicant's experience in providing mental health screening and treatment services of the type to be provided in the project;

''(2) assurances that the applicant will carry out the project—

''(A) through a multidisciplinary team of licensed mental health professionals;

''(B) using evidence-based intervention and treatment protocols to the extent such protocols are available; and

''(C) in coordination with other providers of health care and social services serving the retirement community; and

''(3) assurances that the applicant will conduct and submit to the Assistant Secretary such evaluations and reports as the Assistant Secretary may require.

''(e) REPORTS.—The Assistant Secretary shall prepare and submit to the appropriate committees of Congress a report that includes summaries of the evaluations and reports required under subsection (d)(3).

''(f) COORDINATION.—The Assistant Secretary shall provide for appropriate coordination of programs and activities receiving funds pursuant to grants made under this section with programs and activities receiving funds pursuant to grants made under sections 381 and 422, and sections 520K and 520L of the Public Health Service Act.''.

## TITLE II—PUBLIC HEALTH SERVICE ACT AMENDMENTS

**SEC. 201. DEMONSTRATION PROJECTS TO SUPPORT INTEGRATION OF MENTAL HEALTH SERVICES IN PRIMARY CARE SETTINGS.**

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb–31 et seq.) is amended—

(1) in subsection (b) of section 520(b) (42 U.S.C. 290bb–31(b))—

(A) by striking ''and'' at the end of paragraph (14);

(B) by striking the period at the end of paragraph (15) and inserting in lieu thereof ''; and''; and

(C) by adding at the end the following:

''(16) conduct the demonstration projects specified in section 520K.''.; and

(2) by adding at the end the following:

**''SEC. 520K. PROJECTS TO DEMONSTRATE INTEGRATION OF MENTAL HEALTH SERVICES IN PRIMARY CARE SETTINGS.**

''(a) IN GENERAL.—The Secretary, acting through the Director of the Center for Mental Health Services, shall award grants to public and private nonprofit entities for projects to demonstrate ways of integrating mental health services for older patients into primary care settings, such as health centers receiving a grant under section 330 (or determined by the Secretary to meet the requirements for receiving such a grant), other Federally qualified health centers, primary care clinics, and private practice sites.

''(b) REQUIREMENTS.—In order to be eligible for a grant under this section, the project to be carried out by the entity shall provide for collaborative care within a primary care setting, involving psychiatrists, psychologists, and other licensed mental health professionals (such as social workers and advanced practice nurses) with appropriate training and experience in the treatment of older adults, in which screening, assessment, and intervention services are combined into an integrated service delivery model, including—

''(1) screening services by a mental health professional with at least a masters degree in an appropriate field of training;

''(2) referrals for necessary prevention, intervention, follow-up care, consultations, and care planning oversight for mental health and other service needs, as indicated; and

''(3) adoption and implementation of evidence-based protocols, to the extent available, for prevalent mental health disorders, including depression, anxiety, behavioral and psychological symptoms of dementia, psychosis, and misuse of, or dependence on, alcohol or medication.

''(c) CONSIDERATIONS IN AWARDING GRANTS.—In awarding grants under this section the Secretary, to the extent feasible, shall ensure that—

''(1) projects are funded in a variety of geographic areas, including urban and rural areas; and

''(2) a variety of populations, including racial and ethnic minorities and low-income populations, are served by projects funded under this section.

''(d) DURATION.—A project may receive funding pursuant to a grant under this section for a period of up to 3 years, with an extension period of 2 additional years at the discretion of the Secretary.

''(e) APPLICATION.—To be eligible to receive a grant under this section, a public or private nonprofit entity shall—

''(1) submit an application to the Secretary (in such form, containing such information, and at such time as the Secretary may specify); and

''(2) agree to report to the Secretary standardized clinical and behavioral data necessary to evaluate patient outcomes and to facilitate evaluations across participating projects.

''(f) EVALUATION.—Not later than July 31 of each calendar year, the Secretary shall submit to Congress a report evaluating the projects receiving awards under this section for such year.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section for fiscal year 2005 and each fiscal year thereafter.''.

**SEC. 202. GRANTS FOR COMMUNITY-BASED MENTAL HEALTH TREATMENT OUTREACH TEAMS.**

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb–31 et seq.), as amended by section 201, is further amended by adding at the end the following:

**''SEC. 520L. GRANTS FOR COMMUNITY-BASED MENTAL HEALTH TREATMENT OUTREACH TEAMS.**

''(a) IN GENERAL.—The Secretary, acting through the Director of the Center for Mental Health Services, shall award grants to public or private nonprofit entities that are community-based providers of geriatric mental health services, to support the establishment and maintenance by such entities of multi-disciplinary geriatric mental health outreach teams in community settings where older adults reside or receive social services. Entities eligible for such grants include—

''(1) mental health service providers of a State or local government;

''(2) outpatient programs of private, nonprofit hospitals;

''(3) community mental health centers meeting the criteria specified in section 1913(c); and

''(4) other community-based providers of mental health services.

''(b) REQUIREMENTS.—To be eligible to receive a grant under this section, an entity shall—

''(1) adopt and implement, for use by its mental health outreach team, evidence-based intervention and treatment protocols (to the extent such protocols are available) for mental disorders prevalent in older individuals (including, but not limited to, mood and anxiety disorders, dementias of all kinds, psychotic disorders, and substance and alcohol abuse), relying to the greatest extent feasible on protocols that have been developed—

''(A) by or under the auspices of the Secretary; or

''(B) by academicians with expertise in mental health and aging;

''(2) provide screening for mental disorders, diagnostic services, referrals for treatment, and case management and coordination through such teams; and

''(3) coordinate and integrate the services provided by such team with the services of social service, mental health, and medical providers at the site or sites where the team is based in order to—

''(A) improve patient outcomes; and

''(B) to assure, to the maximum extent feasible, the continuing independence of older adults who are residing in the community.

''(c) COOPERATIVE ARRANGEMENTS WITH SITES SERVING AS BASES FOR OUTREACH.—An entity receiving a grant under this section may enter into an agreement with a person operating a site at which a geriatric mental health outreach team of the entity is based, including—

''(1) senior centers;

''(2) adult day care programs;

''(3) assisted living facilities; and

''(4) recipients of grants to provide services to senior citizens under the Older Americans Act of 1965,

under which such person provides (and is reimbursed by the entity, out of funds received under the grant, for) any supportive services, such as transportation and administrative support, that such person provides to an outreach team of such entity.

''(d) CONSIDERATIONS IN AWARDING GRANTS.—In awarding grants under this section the Secretary, to the extent feasible, shall ensure that—

''(1) projects are funded in a variety of geographic areas, including urban and rural areas; and

''(2) a variety of populations, including racial and ethnic minorities and low-income populations, are served by projects funded under this section.

''(e) APPLICATION.—To be eligible to receive a grant under this section, an entity shall—

''(1) submit an application to the Secretary (in such form, containing such information, at such time as the Secretary may specify); and

''(2) agree to report to the Secretary standardized clinical and behavioral data necessary to evaluate patient outcomes and to facilitate evaluations across participating projects.

''(f) COORDINATION.—The Secretary shall provide for appropriate coordination of programs and activities receiving funds pursuant to a grant under this section with programs and activities receiving funds pursuant to grants under section 520K and sections 381, 422, and 423 of the Older Americans Act of 1965.

''(g) EVALUATION.—Not later than July 31 of each calendar year, the Secretary shall submit to Congress a report evaluating the projects receiving awards under this section for such year.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section for fiscal year 2005 and each fiscal year thereafter.''.

**SEC. 203. DESIGNATION OF DEPUTY DIRECTOR FOR OLDER ADULT MENTAL HEALTH SERVICES IN CENTER FOR MENTAL HEALTH SERVICES.**

Section 520 of the Public Health Service Act (42 U.S.C. 290bb–31) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

''(c) DEPUTY DIRECTOR FOR OLDER ADULT MENTAL HEALTH SERVICES IN CENTER FOR MENTAL HEALTH SERVICES.—The Director, after consultation with the Administrator, shall designate a Deputy Director for Older Adult Mental Health Services, who shall be responsible for the development and implementation of initiatives of the Center to address the mental health needs of older adults. Such initiatives shall include—

''(1) research on prevention and identification of mental disorders in the geriatric population;

''(2) innovative demonstration projects for the delivery of community-based mental health services for older Americans;

''(3) support for the development and dissemination of evidence-based practice models, including models to address dependence on, and misuse of, alcohol and medication in older adults; and

''(4) development of model training programs for mental health professionals and care givers serving older adults.''.

**SEC. 204. MEMBERSHIP OF ADVISORY COUNCIL FOR THE CENTER FOR MENTAL HEALTH SERVICES.**

Section 502(b)(3) of the Public Health service Act (42 U.S.C. 269aa–1(b)(3)) is amended by adding at the end the following:

''(C) In the case of the advisory council for the Center for Mental Health Services, the members appointed pursuant to subparagraphs (A) and (B) shall include representatives of older Americans, their families, and geriatric mental health specialists.''.

**SEC. 205. PROJECTS OF NATIONAL SIGNIFICANCE TARGETING SUBSTANCE ABUSE IN OLDER ADULTS.**

Section 509(b)(2) of the Public Health Service Act (42 U.S.C. 290bb–2(b)(2)) is amended by inserting before the period the following: '', and to providing treatment for older adults with alcohol or substance abuse or addiction, including medication misuse or dependence''.

**SEC. 206 CRITERIA FOR STATE PLANS UNDER COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANTS.**

(a) IN GENERAL.—Section 1912(b)(4) of the Public Health Service Act (42 U.S.C. 300x–1(b)(4)) is amended to read as follows:

''(4) TARGETED SERVICES TO OLDER INDIVIDUALS, INDIVIDUALS WHO ARE HOMELESS, AND INDIVIDUALS LIVING IN RURAL AREAS.—The plan describes the State's outreach to and services for older individuals, individuals who are homeless, and individuals living in rural areas, and how community-based services will be provided to these individuals.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to State plans submitted on or after the date that is 180 days after the date of enactment of this Act.

Ms. COLLINS. Mr. President, I am pleased to join with my colleague from New York in introducing the Positive Aging Act, which will help to increase older Americans' access to quality mental health screening and treatment services in community-based care settings.

The legislation we are introducing today is particularly important for States, like Maine, that have a disproportionate number of elderly persons. Maine currently is our Nation's seventh ''oldest'' State. Moreover, our older population will continue to grow in the future and, by the year 2025, one in five Mainers will be over the age of 65.

One of the most daunting public health challenges facing our Nation today is how to increase access to quality mental health services for the more than 44 million Americans with severe, disabling mental disorders that can devastate their lives and the lives of the people around them.

What is often overlooked, however, is the prevalence of mental illness among our Nation's elderly. Studies have shown that more than one in five Americans aged 65 and older—including more than 32,000 Mainers—experience mental illness, and that as many as 80 percent of elderly persons in nursing homes suffer from some kind of mental impairment.

Particularly disturbing is that fact that the mental health needs of older Americans are often overlooked or not recognized because of the mistaken belief that they are a normal part of aging and therefore cannot be treated.

While older Americans experience the full range of mental disorders, the most prevalent mental illness afflicting older people is depression. Ironically, while recent advances have made depression an eminently treatable disorder, only a minority of elderly depressed persons are receiving adequate treatment. Unfortunately, the vast majority of depressed elderly don't seek help. Many simply accept their feelings of profound sadness and do not realize that they are clinically depressed.

Those who do seek help are often underdiagnosed or misdiagnosed, leading the National Institute of Mental Health to estimate that 60 percent of older Americans with depression are not receiving the mental health care that they need. Failure to treat this kind of disorder leads to poorer health outcomes for other medical conditions, higher rates of institutionalization, and increased health care costs.

Untreated depression can even lead to suicide. The sad fact is that Americans over 65 are more likely to commit suicide than any other age group. Among those over 85, the suicide rate is twice the national average. What is particularly disturbing about these statistics is that studies have shown that 40 percent of older people who commit suicide have had a visit with their primary care provider within one week of their death. Seventy percent of these elderly suicide victims had a primary care visit within 30 days of their death.

Fortunately, important research is being done that is helping to develop innovative approaches to improve the delivery of mental health care for older

adults by integrating it into primary care settings. This research demonstrates that older adults are more likely to receive appropriate mental health care if there is a mental health professional on the primary care team, rather than simply referring them to a mental health specialist outside the primary care setting. Multiple appointments with multiple providers in multiple settings simply don't work for older patients who must also cope with concurrent chronic illnesses, mobility problems, and limited transportation options. The research also shows that there is less stigma associated with psychiatric services when they are integrated into general medical care.

The Positive Aging Act builds upon this research and authorizes funding for a range of projects that integrate mental health screening and treatment services into community sites and primary health care settings, including community health centers, senior centers, and assisted living facilities. Moreover, the evidence-based services under this legislation will be provided by interdisciplinary teams of mental health professionals working in collaboration with other providers of health and social services.

Among other provisions, our legislation authorizes the creation of an Office of Older Adult Mental Health Services in the Administration on Aging to develop and implement initiatives to address the mental health needs of older adults. In addition, the Administration on Aging would be authorized to provide grants to States for the development and testing of model mental health delivery systems for the diagnosis and treatment of mental illness and the elderly. It would also be authorized to award demonstration grants to projects targeted to providing screening and mental health services for seniors residing in rural areas, as well as grants to encourage the collaboration between mental health and other health and social services providers in providing screening and treatment services.

The legislation also authorizes the Substance Abuse and Mental Health Services Administration (SAMHSA) to award demonstration grants which would support the integration of evidence-based mental health services by geriatric mental health specialists into primary care settings and support the establishment of community-based mental health treatment outreach teams in settings where older adults reside or receive social services.

The Positive Aging Act will help to promote the mental health and well-being of our older citizens. It is an investment that will return tremendous dividends in terms of improved quality of life, better patient outcomes, and more efficient use of health care dollars. The legislation has been endorsed by the American Association for Geriatric Psychiatry, the National Council on Aging, the American Nurses Association, the American Psychological Association, the American Psychiatric Association and the National Association of Social Workers, and I urge all of our colleagues to join us as cosponsors.

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By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 2574. A bill to provide for the establishment of the National Institutes of Health, Police, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Ms. MIKULSKI. Mr. President, I rise today to introduce the NIH Security Act. The National Institutes of Health (NIH) is one of America's most successful investments. NIH saves lives and helps Americans to live longer and live better. Research funded by NIH has made breakthroughs on many different fronts, from cutting edge bioterrorism research to mapping the human genome. Much of the research depends on experts working with hazardous chemicals or biological substances. We must make sure NIH is safe and secure—both to protect important research that may save future lives, and to make sure hazardous materials don't fall into the wrong hands.

The main NIH campus and its satellite facilities contain approximately 3,000 research laboratories—2,500 of which are approved for the use of radioisotopes. NIH has 21 high-containment laboratories and two high-containment animal facilities. And NIH is constructing additional high-containment laboratories in order to tackle the challenging issue of defending the country against bioterrorism.

We count on the NIH Police to protect this national treasure. Yet NIH Police officers are overworked and underpaid. Security at NIH facilities may be at risk because NIH is having trouble recruiting and retraining qualified police officers, and because the Police Department is not authorized to protect all of NIH's facilities.

That's why I am introducing this bill to improve security at NIH by giving the NIH Police the authority they need to do their job and the pay and benefits they deserve for a job well done. This legislation does three things. It establishes a permanent police force at NIH. It expands their jurisdiction to cover all of NIH's campuses. And it gives NIH Police officers the same pay and retirement benefits that other Federal law enforcement officers have.

Historically, NIH Police salaries have been among the lowest for law enforcement officers in the Washington-Metropolitan area. From 1998–2002, the NIH Police had a 70 percent attrition rate. Most officers left for positions in other Federal and local law enforcement agencies that offered better pay and benefits. The constant turnover is having a devastating effect on morale, and it's costing taxpayers hundreds of thousands of dollars in overtime pay and lost training costs. That's because NIH invests in specialized training to make sure their officers are prepared to respond to potential biological, chemical, and nuclear disasters. But other agencies are able to lure these officers away. After spending the money to give their officers the training they need, NIH isn't able to give them the pay and benefits they deserve. My bill will ensure that NIH Police officers are getting the same pay and retirement benefits as other Federal law enforcement officers.

My bill also gives NIH Police officers the authority to carry firearms, serve warrants and conduct investigations on all properties under the custody and control of the NIH. Currently, the NIH Police's jurisdiction is limited to the main campus in Bethesda, leaving thousands of employees and numerous laboratories without their protection. NIH currently employs unarmed security guards at its satellite facilities in Maryland and across the country. These security guards do the best they can, but they don't have the authority to enforce laws, and they aren't as highly trained as the NIH Police.

NIH is serious about security. Dr. Zerhouni, the Director of NIH, fully recognizes the need for a highly quality police force to protect NIH and the surrounding community, and fully supports this legislation. Let's give the NIH Police the resources they need to make sure NIH is safe and secure. This is an important issue that must be addressed. I urge my colleagues to pass this important bill quickly, and I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 2574

*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 ''NIH Security Act''.

**SEC. 2. NATIONAL INSTITUTES OF HEALTH POLICE.**

(a) ESTABLISHMENT.—The Director of the National Institutes of Health (in this section referred to as the ''Director of NIH'') shall establish a permanent police force, to be known as the National Institutes of Health Police (in this section referred to as the ''NIH Police''), for the purpose of performing law enforcement, security, and investigative functions for property under the jurisdiction, custody, and control of, or occupied by, the National Institutes of Health.

(b) APPOINTMENT OF OFFICERS.—

(1) IN GENERAL.—The Director of NIH shall appoint a Chief, a Deputy Chief, and such other officers as may be necessary to carry out the purpose of the NIH Police.

(2) OFFICERS ABOVE MAXIMUM AGE.—The Director of NIH may appoint officers of the NIH Police without regard to standard maximum limits of age prescribed under section 3307 of title 5, United States Code. Officers appointed under this paragraph—

(A) may include the Chief and Deputy Chief of the NIH Police;

(B) shall have the same authorities and powers as other officers of the NIH Police;

(C) shall receive the same pay and benefits as other officers of the NIH Police; and

(D) shall not be treated as law enforcement officers for purposes of retirement benefits.

(c) POWERS.—Each officer of the NIH Police may—

(1) carry firearms, serve warrants and subpoenas issued under the authority of the United States, and make arrests without warrant for any offense against the United States committed in the officer's presence, or for any felony cognizable under the laws of the United States, if the officer has reasonable grounds to believe that the person to be arrested has committed or is committing such a felony;

(2) conduct investigations within the United States and its territories for offenses that have been or may be committed on property described in paragraph (1) or (2) of subsection (d); and

(3) protect in any area of the United States or its territories the Director of NIH and other officials, as authorized by the Director of NIH.

(d) JURISDICTION.—Officers of the NIH Police may exercise their powers—

(1) on all properties under the custody and control of the National Institutes of Health;

(2) on other properties occupied by the National Institutes of Health, as determined by the Director of NIH; and

(3) as authorized under paragraphs (2) and (3) of subsection (c).

(e) PAY, BENEFITS, RETIREMENT.—

(1) IN GENERAL.—Subject to subsection (b)(2)(D) and paragraph (2)(A), all officers of the NIH Police appointed under subsection (b) are—

(A) law enforcement officers as that term is used in title 5, United States Code, without regard to any eligibility requirements prescribed by law; and

(B) eligible for all pay and benefits prescribed by law for such law enforcement officers.

(2) PAY; RANKS.—

(A) PAY.—The officers of the NIH Police shall receive the same pay and benefits, as determined by the Director of NIH, as officers who hold comparable positions in the United States Park Police. For purposes of this subparagraph, the Chief of the NIH Police is deemed comparable to the Assistant Chief in the United States Park Police, and the Deputy Chief of the NIH Police is deemed comparable to the Deputy Chief in the United States Park Police.

(B) RANK.—The Chief and Deputy Chief of the NIH Police shall have ranks not lower than a colonel and a lieutenant colonel, respectively. Other ranks and equivalences shall be determined by the Director of NIH or the Director's designee.

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By Mrs. BOXER (for herself and Mr. SMITH):

S. 2575. A bill to direct the Secretary of Agriculture to conduct research, monitoring, management, treatment, and outreach activities relating to sudden oak death syndrome and to convene regular meetings of, or conduct regular consultations with, Federal, State, tribal and local government officials to provide recommendations on how to carry out those activities; to the Committee on Agriculture, Nutrition, and Forestry.

Mrs. BOXER. Mr. President, I am introducing today with my colleague, Senator GORDON SMITH, a bill that addresses an ecological crisis in California and Oregon that quite literally threatens to change the face of our States, as well as others. The beloved oak trees are in grave peril. Thousands of black oak, coastal live oak, tan and Shreve's oak trees—among the most familiar and best loved features of California's landscape—are dying from a disease known as Sudden Oak Death Syndrome (SODS).

Caused by an exotic species of the Phytophthora fungus—the fungus responsible for the Irish potato famine—SODS first struck a small number of tan oaks in Marin County in 1995. Now the disease has spread to other oak species from Big Sur in the south to Humboldt County in the north. The loss of trees is approaching epidemic proportions, with tens of thousands of dead trees appearing in thousands of acres of forests, parks, and gardens. As the trees die, enormous expanses of forest, some adjacent to residential areas, are subject to extreme fire hazards. Dead oak trees near homes significantly increase fire hazards, so residents who built their homes around or among oak trees are in particular danger.

Yet, the spread of the fungus-like pathogen that causes SODS is not limited to oak trees. It has also been found on rhododendron plants in California nurseries, bay trees, wild huckleberry plants and other nursery stock and small fruit trees. Due to genetic similaries, this pathogen potentially endangers Red and Pin oak trees on the East Coast, as well as the Northeast's lucrative commercial blueberry and cranberry industries.

SODS has already had serious economic and environmental impacts. After the initial discovery of the Sudden Oak Death, the U.S. Department of Agriculture (USDA) imposed a quarantine on oak products and some nursery stock in 10 counties in Northern California and Curry County, Oregon. Subsequently, two other counties in Northern California were also put under quarantine. The discovery of the pathogen that causes SODS in two Southern California nurseries in March 2004 led the USDA to impose restrictions on the interstate movement of host and potential host plants—as well as plants within 10 meters of these plants—from all nurseries in California. To date, 17 States and Canada have placed their own restrictions on the importation of California's nursery stock, and some States have banned plants from California altogether.

If left unchecked, SODS could cause major damage to our commercial nurseries, as well the health, productivity and biodiversity of our forests. California is the nursery industry's lead producer of horticultural plants, valued at $2 billion a year. The State's oak woodlands provide shelter, habitat, and food to over 300 wildlife species. They also reduce soil erosion and help moderate extremes in temperature. Not only does SODS put all these benefits at risk, but dead and infected trees from this disease increase the threat of wildfire, threatening our communities.

More needs to be known about the pathogen that causes SODS. Scientists are struggling to better understand SODS, how the disease is transmitted, and what the best treatment options might be. In 2000, the U.S. Forest Service, the University of California, the State Departments of Forestry and Fire Protection, and County Agricultural Commissioners created an Oak Mortality Task Force to help coordinate research, management, monitoring, education, and public policies aimed at addressing SODS. Although we have learned a great deal about SODS since the, adequate Federal support is needed if we are to stop the spread of this disease before it is too late.

That is why I am introducing the Sudden Oak Death Syndrome Control Act of 2004, which is based on legislation I introduced in 2001 and which passed the Senate in 2002. The Sudden Oak Death Syndrome Control Act of 2004 would authorize $44.2 million annually over the next five years for creation of a Sudden Oak Death research and monitoring program, management and treatment activities, fire prevention activities, and education and outreach. The bill would also provide funding for a comprehensive national survey of the fungus-like pathogen that causes SODS and a risk assessment of the threat posed by this pathogen to natural and managed plant resources. Combined with the efforts of state and local officials, this legislation will help to prevent the dire predictions from becoming a terrible reality.

This bill is endorsed by the American Nursery & Landscape Association, the California Association of Nurseries and Garden Centers, the Nursery Growers Association of California, the state, local and private members of the California Oak Mortality Task Force, and the Marin County Board of Supervisors.

I thank Senator SMITH for working with me on this bill and for joining me in introducing it. I urge my colleagues to join us in this effort to help ensure the protection of our nation's commercial nursery industry and precious woodlands.

I ask unanimous consent that letters from these organizations be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN NURSERY & LANDSCAPE ASSOCIATION,
*Washington, DC, June 23, 2004.*

Hon. GORDON SMITH,
Hon. BARBARA BOXER,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATORS BOXER AND SMITH: The American Nursery & Landscape Association is the national trade organization representing nursery growers, landscape professionals, and retail garden centers in the U.S. On behalf of our industry of small and family businesses, we wish to thank you for your work to prepare and introduce legislation to address the current and expected challenges associated with the serious plant pathogen Phytophthora ramorum.

As you well know, the potential risks posed by P. ramorum to American forests, landscape, nurseries, and other agricultural producers necessitate strong federal leadership in such areas as survey and detection, risk mitigation, and research. Your legislative efforts will help to ensure the focus and

funding necessary for a cohesive federal and state cooperative response.

We would like to commend the performance of your staff contacts, Laura Cimo and Matt Hill. Both have been professional, accessible, and open to suggestions toward improving the legislative language in preparation for its introduction.

ANLA is pleased to support your impending legislation, as a critical step toward solving the P. ramorum crisis. Please let us know how ANLA can be of further assistance.

Sincerely,

CRAIG J. REGELBRUGGE,
*Senior Director of Government Relations.*

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CALIFORNIA ASSOCIATION OF NURSERIES AND GARDEN CENTERS,
*Sacramento, CA 95834.*

Re Sudden Oak Death Syndrome Control Act of 2004.

Hon. BARBARA BOXER,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR BOXER: We thank you for all of your efforts on the issue of Sudden Oak Death and especially your legislation, the Sudden Oak Death Syndrome Control Act of 2004, which we strongly endorse and support.

As you well know, many states closed their borders to all nursery plants in California after Sudden Oak Death was discovered in a southern California nursery. These blockades have included all plants, even those without the ability to transmit the pathogen, and they have included nurseries that the U.S. Department of agriculture has certified are free of Sudden Oak Death.

Quite clearly, there is much that needs to be learned about Sudden Oak Death so that regulations are based on risk and not on fear. Your much-needed legislation will improve both the research into the pathogen, its role relating to Sudden Oak Death, and the management and treatment of the disease. Significantly, your legislation will compel a ''comprehensive and biologically sound national survey.'' Only by such a rigorous survey can policymakers understand the risk posed by the pathogen. After all, states that have barred California nursery plants may already harbor Sudden Oak Death but without a national survey they have every incentive to avoid even looking for the pathogen.

Again, thank you for drafting this important legislation.

Very truly yours,

ROBERT H. FALCONER,
*Executive Vice President.*

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CALIFORNIA OAK MORTALITY TASK FORCE,
*Sacramento, CA, June 24, 20004.*

Re Sudden Oak Death Syndrome Control Act of 2004.

Hon. BARBARA BOXER,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR BOXER: The California Oak Mortality Task Force applauds your efforts to secure federal funding for research, monitoring, regulations, management and educational activities necessitated by Sudden Oak Death (Phytophthora ramorum). Resources are urgently needed to address this aggressive exotic pathogen in California and Oregon and protect other parts of the United States and other countries from becoming infested.

The California Oak Mortality Task Force represents over 75 organizations cooperating to limit the spread of the pathogen that causes Sudden Oak Death, a disease that has killed tens of thousands of tanoak, coast live oak, and black oak in coastal California. The pathogen also infects rhododendron, camellia and huckleberry, important nursery and agricultural plants.

There is much that urgently needs to be done to prevent further damage and protect commerce and natural resources. Some of the highest priorities:

Research to understand how the pathogen spreads, assess the potential for ecological, horticultural and agricultural damage, and improve diagnostic tools and treatments

Regulation enforcement to limit pathogen spread via commodities

Management that includes eradication protocols for new areas, fire prevention treatments for high risk areas, and diagnostic services

Monitoring/surveys to determine extent of damage, distribution and spread

Educatioal programs for professionals, land managers and homeowners to recognize the problem and determine what can be done about it, including Information and explanation of quarantine measures.

The state, local, and private members of the task force support your efforts to address Sudden Oak Death and protect the oak woodlands of the United States. Please contact Lucia Briggs, Coordinator of the CA Oak Mortality Task Force (lbriggs@nature.berkelkey.edu) if we can assist you.

Sincerely,

MARK R. STANLEY,
*Chairperson, California Oak Mortality Task Force.*

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THE BOARD OF SUPERVISORS OF MARIN COUNTY,
*San Rafael, CA, June 16, 2004.*

Re ''Sudden Oak Death Syndrome Control Act of 2004''—SUPPORT.

Hon. BARBARA BOXER,
*Hart Senate Office Building,*
*Washington, DC.*

DEAR SENATOR BOXER: As President of the Marin County California Board of Supervisors, I write to indicate our strong support of your efforts with regard to the ''Sudden Oak Death Syndrome Control Act of 2004,'' which would authorize $44.2 million for FY2005 through FY2009, as compared to the $14.25 million already authorized for FY2003 through FY2007.

The legislation addresses the ever expanding need for resources for local, state and federal agencies to deal with the economic, environmental and policy impacts created by the infestation of this devastating plant disease. Marin County has lost tens of thousands of trees and has been at the center of this problem for several years as one of the original 12 California Counties placed under state and federal quarantine.

The recent documentation of Sudden Oak Death (SOD) infestation in commercial nurseries in Southern California has elevated the problem. The transmission of the disease across state lines, carried on nursery stock, to a number of states in the southern and eastern United States has triggered multiple state SOD quarantines against California and created enforcement and communication problems nationwide.

Funding increases proposed in the bill would provide much needed improvements in communication and intergovernmental coordination between USDA, APHIS, State Plant Quarantine Officials, California Agricultural Commissioners and Nursery Sock Producers. It would fund a national risk assessment to determine the possible biological and economic impacts of the disease. The bill would also address the need to strengthen domestic quarantine inspections to determine if the disease may be moving into the United States on nursery stock originating from Europe.

The Marin County Board of Supervisors strongly supports your proposed ''Sudden Oak Death Syndrome Control Act of 2004'' and thank you for your continued support in dealing with this critical issue.

Sincerely,

STEVE KINSEY,
*President.*

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By Mr. FEINGOLD:

S. 2576. A bill to establish an expedited procedure for congressional consideration of health care reform legislation; to the Committee on Rules and Administration.

Mr. FEINGOLD. Mr. President, today I introduce the Health Care Reform Expedited Procedures Act of 2004, legislation that requires Congress to act on what may be the most pressing domestic policy issue of our time, namely health care reform.

I travel to each of Wisconsin's 72 counties every year to hold town hall meetings. Year after year, the number one issue raised at these Listening Sessions is the same—health care. The failure of our health care system brings people to these meetings in droves. The frustration I hear, the anger and the desperation, have convinced me that we must change the system.

So many people now come to tell me that they used to think government involvement was a terrible idea, but not anymore. Now they tell me that their businesses are being destroyed by health care costs, and they want the government to step in. These costs are crippling our economy just as the Nation is struggling to rebound from the loss of millions of manufacturing jobs.

Our health care system has failed to keep costs in check. Costs are skyrocketing, and there is simply no way we can expect businesses to keep up. So in all too many cases, employers are left to offer sub-par benefits, or to wonder whether they can offer any benefits at all. Employers cannot be the sole provider of health care when these costs are rising faster than inflation.

One option that could help employers, especially small businesses, reduce their health care costs is to have them form health care cooperatives, where employers lower costs by purchasing care as a group. I have introduced a bill in the Senate to make it easier for business to create these cooperatives.

But this legislation certainly isn't the magic bullet that can address the whole problem. We need to come up with more comprehensive ways to address rising costs. In most cases, costs are still passed on to employees, who then face enormous premiums that demand more and more of their monthly income. People tell me that they don't understand how anyone can afford these astronomical premiums, and what can you say to that?

We can say that it's time to move toward universal coverage. I believe we can find a way to make universal coverage work in this country. Universal coverage doesn't mean that we have to copy a system already in place in another country. We can harness our Nation's creativity and entrepreneurial

spirit to design a system that is uniquely American. Universal coverage doesn't have to be defined by what's been attempted in the past. What universal coverage does mean is ending a system where nearly 44 million Americans are uninsured, and where those who are insured are struggling to pay their premiums, struggling to pay for prescription drugs, and struggling to find long term care.

We can't tolerate a system that strands so many Americans without the coverage they need. This system costs us dearly: Even though almost 44 million Americans are uninsured, the United States devotes more of its economy to health care than other industrial countries.

Leaving this many Americans uninsured affects all of us. Those who are insured pay more because the uninsured can't afford to pay their bills. And those bills are exceptionally high, because the uninsured wait so long to see a doctor. The uninsured often live sicker, and die earlier, than other Americans, so they also need a disproportionate amount of acute care.

In 2001 alone, health care providers provided $35 billion worth of uncompensated care. While providers absorb some of those costs, inevitably some of the burden is shifted to other patients. And of course the process of cost-shifting itself generates additional costs.

We are all paying the price for our broken health care system, and it is time to bring about change.

Over the years I have heard many different proposals for how we should change the health care system in this country. Some propose using tax incentives as a way to expand access to health care. Others think the best approach is to expand public programs. Some feel a national single payer health care system is the only way to go.

I don't think we can ignore any of these proposals. We need to consider all of these as we address our broken health care system.

As a former State legislator, I come to this debate knowing that States are coming up with some very innovative solutions to the health care problem. So in addition to the approaches already mentioned, I think we really need to look at what our States are doing, and add to the menu of possibilities an approach under which each State decides the best way to cover its residents.

I favor an American-style health care reform, where we encourage creative solutions to the health care problems facing our country, without using a one-size-fits-all approach. I believe that States have a better idea about what the health care needs of their residents are, and that they understand what types of reform will work best for their state. So I am in favor of a state-based universal health care system, where States, with the Federal Government's help, come up with a plan to make sure that all of their residents have health care coverage.

This approach would achieve universal health care, without the Federal Government dictating to all of the states exactly how to do it. The federal government would provide states with the financial help, technical assistance and oversight necessary to accomplish this goal. In return, a State would have to make sure that every resident has coverage at least as good as that offered in the Federal Employee Health Benefits Program, FEHBP—in other words, at least as good as the health insurance members of Congress have.

States would have the flexibility to expand coverage in phases, and would be offered a number of Federal ''tools'' to choose from in order to help them achieve universal coverage. States could use any number of these tools, or none of them, instead opting for a Federal contribution for a state-based ''single-payer'' system. In addition to designing and implementing a plan to achieve universal care, states would also be required to provide partial funding of these plans. The Federal Government would approve each State plan, and would conduct oversight of the implementation of these plans.

Federal tools that States could choose from to help expand health coverage could include an enhanced Medicaid and SCHIP federal match for expanding coverage to currently uninsured individuals; refundable and advanceable tax credits for the purchase of health insurance for individuals and/or businesses; the establishment of a community-rated health pool, similar to FEHBP, to provide affordable health coverage and expanded choices for those who enroll; and assistance with catastrophic care costs.

States could be creative in the state resources they use to expand health care coverage. For example, a state could use personal and/or employer mandates for coverage, use state tax incentives, create a single-payer system or even join with neighboring states to offer a regional health care plan.

The approach I have set forth would guarantee universal health care, but still leave room for the flexibility and creativity that I believe is necessary to ensure that everyone has access to affordable, quality health care.

As I have noted, there have been a number of interesting proposals to move us to universal health care coverage. While I will be advocating the state-based approach that I have just outlined, others have proposed alternative approaches that certainly merit consideration and debate.

And this brings us to the legislation I am introducing today, because, the reason we haven't reformed our health care system isn't because of a lack of good ideas. The problem is that Congress and the White House refuse to take this issue up. Despite the outcry from businesses, from health care providers, and from the millions who are uninsured, Washington refuses to address the problem in a comprehensive way.

That is why I am introducing this bill. My legislation will force Congress to finally address this issue. It requires the Majority and Minority Leaders of the Senate, as well as the Chairs of the Health, Education, Labor, and Pensions Committee and the Finance Committee, to each introduce a health care reform bill in the first 30 days of the next Congress. If a committee chair fails to introduce a bill within the first month, then the ranking minority party member of the respective committee may introduce a measure that qualifies for the expedited treatment outlined in my bill.

The measures introduced by the Majority Leader and Minority Leader will be placed directly on the Senate Calendar. The measures introduced by the two committee chairs, or ranking minority members, will be referred to their respective committees.

The committees have 60 calendar days not including recesses of 3 days or more to review the legislation. At the end of that time, if either committee fails to report a measure, the bills will be placed directly on the legislative calendar.

If the Majority Leader fails to move to one of the bills, any Member may move to proceed to any qualifying health care reform measure. The motion is not debatable or amendable. If the motion to proceed is adopted, the chamber will immediately proceed to the consideration of a measure without intervening motion, order, or other business, and the measure remains the unfinished business of the Senate until the body disposes of the bill.

Similar procedures are established for House consideration.

I want to emphasize, my bill does not prejudge what particular health care reform measure should be debated. There are many worthy proposals that would qualify for consideration, and this bill does not dictate which proposal, or combination of proposals, should be considered.

But what my bill does do is to require Congress to act.

It has been 10 years since the last serious debate over health care reform was killed by special interests and the soft money contributions they used to corrupt the legislative process. The legislative landscape is now much different. Soft money can no longer be used to set the agenda, and businesses and workers are crying out as never before for Congress to do something about the country's health care crisis.

It has been 10 years since we've had any debate on comprehensive health care reform. We cannot afford any further delay. I urge my colleagues to support the Health Care Reform Expedited Procedures Act of 2004.

Mr. President, 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. 2576

*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 ''Health Care Reform Expedited Procedures Act of 2004''.

**SEC. 2. SENATE CONSIDERATION OF HEALTH CARE REFORM LEGISLATION.**

(a) INTRODUCTION.—

(1) IN GENERAL.—Not later than 30 calendar-days after the commencement of the first session of a Congress, the chair of the Senate Committee on Health, Education, Labor, and Pensions, the Chair of the Senate Committee on Finance, the Majority Leader of the Senate, and the Minority Leader of the Senate shall each introduce a bill to provide universal health care coverage for the people of the United States.

(2) MINORITY PARTY.—These bills may be introduced by request and only 1 qualified bill may be introduced by each individual referred to in paragraph (1) within a Congress. If either committee chair fails to introduce the bill within the 30-day period, the ranking minority party member of the respective committee may instead introduce a bill that will qualify for the expedited procedure provided in this section.

(3) QUALIFIED BILL.—

(A) IN GENERAL.—In order to qualify as a qualified bill—

(i) the title of the bill shall be ''To reform the system of the United States and to provide insurance coverage for all Americans.''; and

(ii) the bill shall reach the goal of providing health care coverage to 95 percent of Americans within 10 years.

(B) DETERMINATION.—Whether or not a bill meets the criteria in subparagraph (A) shall be determined by the Chair of the Senate Budget Committee, relying on estimates of the Congressional Budget Office, subject to the final approval of the Senate.

(b) REFERRAL.—

(1) COMMITTEE BILLS.—Upon introduction, the bill authored by the Chair of the Senate Committee on Finance shall be referred to that Committee and the bill introduced by the Chair of the Senate Committee on Health, Education, Labor, and Pensions shall be referred to that committee. If either committee has not reported the bill referred to it (or another qualified bill) by the end of a 60 calendar-day period beginning on the date of referral, the committee is, as of that date, automatically discharged from further consideration of the bill, and the bill is placed directly on the chamber's legislative calendar. In calculating the 60-day period, adjournments for more than 3 days are not counted.

(2) LEADER BILLS.—The bills introduced by the Senate Majority Leader and the Senate Minority Leader shall, on introduction, be placed directly on the Senate Calendar of Business.

(c) MOTION TO PROCEED.—

(1) IN GENERAL.—On or after the third day following the committee report or discharge or upon a bill being placed on the calendar under subsection (b)(2), it shall be in order for any Member, after consultation with the Majority Leader, to move to proceed to the consideration of any qualified bill. Notice shall first be given before proceeding. This motion to proceed to the consideration of a bill can be offered by a Member only on the day after the calendar day on which the Member announces his or her intention to offer it.

(2) CONSIDERATION.—The motion to proceed to a given qualified bill can be made even if a motion to the same effect has previously been rejected. No more than 3 such motions may be made, however, in any 1 congressional session.

(3) PRIVILEGED AND NONDEBATABLE.—The motion to proceed is privileged, and all points of order against the motion to proceed to consideration and its consideration are waived. The motion is not debatable, is not amendable, and is not subject to a motion to postpone.

(4) NO OTHER BUSINESS OR RECONSIDERATION.—The motion is not subject to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or disagreed to is not in order.

(d) CONSIDERATION OF QUALIFIED BILL.—

(1) IN GENERAL.—If the motion to proceed is adopted, the chamber shall immediately proceed to the consideration of a qualified bill without intervening motion, order, or other business, and the bill remains the unfinished business of the Senate until disposed of. A motion to limit debate is in order and is not debatable.

(2) ONLY BUSINESS.—The qualified bill is not subject to a motion to postpone or a motion to proceed to the consideration of other business before the bill is disposed of.

(3) RELEVANT AMENDMENTS.—Only relevant amendments may be offered to the bill.

**SEC. 3. HOUSE CONSIDERATION OF HEALTH CARE REFORM LEGISLATION.**

(a) INTRODUCTION.—

(1) IN GENERAL.—Not later than 30 calendar days after the commencement of the first session of a Congress, the chair of the House Committee on Energy and Commerce, the chair of the House Committee on Ways and Means, the Majority Leader of the House, and the Minority Leader of the House shall each introduce a bill to provide universal health care coverage for the people of the United States.

(2) MINORITY PARTY.—These bills may be introduced by request and only 1 qualified bill may be introduced by each individual referred to in paragraph (1) within a Congress. If either committee chair fails to introduce the bill within the 30-day period, the ranking minority party member of the respective committee may, within the following 30 days, instead introduce a bill that will qualify for the expedited procedure provided in this section.

(3) QUALIFIED BILL.—

(A) IN GENERAL.—To qualify for the expedited procedure under this section as a qualified bill, the bill shall reach the goal of providing healthcare coverage to 95 percent of Americans within 10 years.

(B) DETERMINATION.—Whether or not a bill meets the criteria in subparagraph (A) shall be determined by the Speaker's ruling on a point of order based on a Congressional Budget Office estimate of the bill.

(b) REFERRAL.—

(1) COMMITTEE BILLS.—Upon introduction, the bill authored by the Chair of the House Committee on Energy and Commerce will be referred to that committee and the bill introduced by the Chair of the House Committee on Ways and Means shall be referred to that committee. If either committee has not reported the bill referred to it (or another qualified bill) by the end of 60 days of consideration beginning on the date of referral, the committee shall be automatically discharged from further consideration of the bill, and the bill shall be placed directly on the Calendar of the Whole House on the State of the Union. In calculating the 60-day period, adjournments for more than 3 days are not counted.

(2) LEADER BILLS.—The bills introduced by the House Majority Leader and House Minority Leader will, on introduction, be placed directly on the Calendar of the Whole House on the State of the Union.

(c) MOTION TO PROCEED.—

(1) IN GENERAL.—On or after the third day following the committee report or discharge or upon a bill being placed on the calendar under subsection (b)(2), it shall be in order for any Member, after consultation with the Majority Leader, to move to proceed to the consideration of any qualified bill. Notice must first be given before proceeding. This motion to proceed to the consideration of a bill can be offered by a Member only on the day after the calendar day on which the Member announces his or her intention to offer it.

(2) CONSIDERATION.—The motion to proceed to a given qualified bill can be made even if a motion to the same effect has previously been rejected. No more than 3 such motions may be made, however, in any 1 congressional session.

(3) PRIVILEGED AND NONDEBATABLE.—The motion to proceed is privileged, and all points of order against the motion to proceed to consideration and its consideration are waived. The motion is not debatable, is not amendable, and is not subject to a motion to postpone.

(4) NO OTHER BUSINESS OR RECONSIDERATION.—The motion is not subject to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or disagreed to is not in order.

(d) CONSIDERATION OF A QUALIFIED BILL.—

(1) IN GENERAL.—If the motion to proceed is adopted, the chamber will immediately proceed to the consideration of a qualified bill without intervening motion, order, or other business, and the bill remains the unfinished business of the House until disposed of.

(2) COMMITTEE OF THE WHOLE.—The bill will be considered in the Committee of the Whole under the 5-minute rule, and the bill shall be considered as read and open for amendment at any time.

(3) LIMIT DEBATE.—A motion to further limit debate is in order and is not debatable.

(4) RELEVANT AMENDMENTS.—Only relevant amendments may be offered to the bill.

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By Ms. STABENOW (for herself and Mrs. HUTCHISON):

S. 2587. A bill to amend title XVIII of the Social Security Act to adjust the amount of payment under the physician fee scheduled for drug administration services furnished to medicare beneficiaries; to the Committee on Finance.

Ms. STABENOW. Mr. President, I rise today to introduce the Ensuring Quality and Access to Cancer Care Act of 2004. I want to thank my colleague, Senator HUTCHISON, for working with me on this critical issue. Regardless of how we feel about the new Medicare law, I believe we all agree that there are legitimate concerns about changes in cancer care reimbursement. Critical services that help patients and their families may be in jeopardy because Medicare reimbursement is scheduled to be drastically cut in 2005.

I believe that these changes will be disruptive to patients' care. It is especially urgent in Michigan, which is ranked fourth in the Nation in number of residents with cancer.

Doctors administer more than 70 percent of all cancer chemotherapy in their offices, but the new Medicare law drastically cuts doctors' reimbursement for drug administration. Changes in the reimbursement system will

mean that doctors will likely be paid dramatically less for chemotherapy. Preliminary estimates indicate that roughly $4.2 billion will be taken out of cancer care in the United States over the next 10 years.

Many critical services are paid for through drug administration reimbursement because they are not covered by Medicare. These include specially-trained oncology nurses and related staff; the handling, storage, and preparation of the toxic chemotherapy agents; and cognitive, nutrition, and support care services that are important indices of quality cancer care.

The result could be fewer and fewer doctors will treat cancer patients, leaving them without access to the best care possible. Furthermore, patients may lose access to vital support services.

Congress clearly recognized that questions related to the impact of the Medicare law on patient access needed to be answered. That's why the Medicare law included a temporary one-year increase in physicians' practice expenses. But access problems will likely emerge in 2005 when the temporary aid and drug reimbursement decrease significantly. And several programs to help oncologists and patients will not begin until 2006.

The ''Ensuring Quality and Access to Cancer Care Act of 2004'' would merely extend the 1-year transitional period built into the law for an additional year. It's a fair compromise so that we have time to answer important questions regarding the impact of the payment reductions. And it will ensure that policy changes do not disrupt patient access to quality cancer care.

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. 2587

*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 ''Ensuring Quality and Access to Cancer Care Act of 2004''.

**SEC. 2. TRANSITIONAL ADJUSTMENT TO PHYSICIAN FEE SCHEDULE FOR DRUG ADMINISTRATION SERVICES FURNISHED TO MEDICARE BENEFICIARIES.**

(a) IN GENERAL.—Section 303(a)(4)(B)(ii) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2237) is amended by striking ''3 percent'' and inserting ''32 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of section 303(a)(4) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2237).

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By Mr. ALEXANDER (for himself and Ms. LANDRIEU):

S. 2590. A bill to provide a conservation royalty from Outer Continental Shelf revenues to establish the Coastal Impact Assistance Program, to provide assistance to States under the Land and Water Conservation Fund Act of 1965, to ensure adequate funding for conserving and restoring wildlife, to assist local governments in improving local park and recreation systems, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ALEXANDER. Mr. President, today, Senator LANDRIEU and I are introducing the Americans Outdoors Act of 2004, bipartisan legislation that will provide nearly $1.5 billion annually to help Americans in every State enjoy the great American outdoors.

The Americans Outdoors Act would provide a reliable stream of funding by collecting a conservation royalty on revenues from drilling for oil and gas on offshore Federal land. It would use this conservation royalty to fully fund three existing Federal programs: the so-called State side of the Land and Water Conservation Fund, $450 million annually; wildlife conservation, $350 million annually to fully fund that Federal program; and to fully fund urban parks initiatives, another $125 million. It would also provide an additional $500 million each year for coastal impact assistance, including wetlands protection.

In addition, Senator LANDRIEU and I intend to offer an amendment to our legislation that would fully fund the $450 million per year Federal side of the Land and Water Conservation Fund, but only after we have consulted further with our colleagues to develop a consensus.

We offer this legislation because there is nothing more central to the American character than the great American outdoors. We offer it because we want to provide a conservation legacy for the next generation. We believe there is a huge conservation majority in America and in the Senate that will support this legislation.

In 1985, when I was Governor of Tennessee, President Ronald Reagan asked me to chair the President's Commission on American Outdoors. Gilbert Grosvenor, president of the National Geographic Society, was vice-chairman. Patrick Noonan of the Conservation Fund and other distinguished Americans served on the commission. President Reagan himself was an outdoorsman. The President challenged his commission to look ahead for a generation and tell the country how we can have appropriate places to do what we want to do outdoors.

In the report of our commission in 1987, we found many threats to the opportunity to enjoy the outdoors: exotic pollutants, loss of space through urban growth, and disappearance of wetlands. Changing lifestyles and new technology presented new challenges as well as opportunities. Differences in needs and Federal land ownership between the eastern and western States created challenging conflicts to resolve.

In our report we emphasized that most outdoors recreation occurs close to home, near towns or cities where 80 percent of us live. We therefore recommended more land trusts, greenways, city parks and scenic byways.

We suggested that most of this action be accomplished by a prairie fire of local concern rather than by action in Washington, DC, but we did recommend that Congress dedicate at least $1 billion a year from offshore oil and gas drilling revenues to provide a steady, reliable flow of funds to the Land and Water Conservation Fund.

Much of what we recommended has happened and is now law.

But it is now time to build on the commission's work of 20 years ago and look ahead for another generation.

By fully funding State wildlife grants, urban parks and the State programs of the Land and Water Conservation Fund, the Americans Outdoors Act of 2004 will continue that legacy. It will enlarge on the legacy by providing new funds for coastal assistance, including wetlands protection.

It will do so through a new steady stream of funding by creating what I think of as a ''conservation royalty.'' This new conservation royalty is not such a new idea at all. This conservation royalty is modeled after the existing State royalty for onshore oil and gas drilling that was created in the Mineral Lands Leasing Act of 1920. That act gives 50 cents of every dollar from drilling—and in the case of Alaska, 90—as a royalty to the State in which the drilling occurs.

In a similar way, The Americans Outdoors Act of 2004 would create a conservation royalty of about 25 percent for revenues of the funds collected from offshore drilling on Federal lands. Some of the royalty would go to the States where the drilling occurs. More would go to all states for parks, game and fish commissions and projects funded by the Land and Water Conservation Fund.

The idea is very simple: if drilling for oil and gas creates an environmental impact, it is wise to use some of the proceeds to create an environmental benefit. In 2001, the Federal Government received $7.5 billion in oil and gas revenues from federal offshore leases. This revenue comes from the Outer Continental Shelf, which supplies more oil to the United States than any other country, including Saudi Arabia.

Chairman PETER DOMENICI has scheduled a hearing in the Energy and Natural Resources Committee on July 13. In the meantime Senator LANDRIEU and I will continue our discussion with other committee members and other colleagues to create a consensus.

There is at least one piece of unfinished business. At some point in the process, Senator LANDRIEU and I will offer an amendment to our own legislation that will fully fund—at $450 million a year—the Federal side of the Land and Water conservation Fund. It was this provision in earlier legislation that helped to cause the legislation not to be enacted by the Senate. We believe

that by listening to our colleagues and developing more flexibility among states in how these dollars might be spent, we can develop legislation that will pass the Senate.

We are glad to see that Congressmen YOUNG and MILLER have introduced a similar piece of legislation in the House of Representatives. We look forward to working with them.

We are pleased tat already more than two dozen national organizations representing millions of Americans have expressed their support for the American outdoors Act of 2004. These organizations range from the U.S. Conference of Mayors, to the National Wildlife Federation, to Ducks Unlimited, and the City Parks Alliance. We invite all Americans and our colleagues of both political parties, to join with us in providing a legacy for the next generation to enjoy the great American outdoors.

Someone once said that Italy has its art, England its history, and the United States has the great American outdoors. Our magnificent land, as much of our love of liberty, is at the core of our character. It has inspired our pioneer spirit, our resourcefulness and our generosity. Its greatness has fueled our individualism and optimism, and made us believe that anything is possible. It has influenced our music, literature, science and language. It has served as the training ground of our athletes and philosophers, of poets and defenders of American ideals.

That is why there is a conservation majority—a large conservation majority—in the United States of America. That is why, I believe, that when this bill comes to the floor, there will be a large conservation majority in the U.S. Senate.

Mr. President, I ask unanimous consent that a list of the more than two dozen organizations—from the United States Conference of Mayors, to the National Wildlife Federation, to Ducks Unlimited, to the Conservation Council, and many others—representing millions of Americans in support of the Americans Outdoors Act of 2004 be printed in the RECORD.

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

LIST OF AMERICANS OUTDOORS BILL SUPPORTERS

National Governors Association has a policy consistent with this bill. National Governors Association has not formally endorsed the bill.

US Conference of Mayors
National Wildlife Federation
International Association of Fish and Wildlife Agencies
Outdoor Industry Association
American Sportfishing Association
National Wild Turkey Federation
United States Soccer Foundation
United States Soccer Federation
National Marine Manufacturers Association
American Planning Association
American Society of Landscape Architects
Americans for Our Heritage and Recreation
City Parks Alliance
The Conservation Fund
National Association of State Outdoor Recreation Liaison Officers
National Association of State Park Directors
National Council of Youth Sports
National Recreation and Park Association
Outdoor Industry Association
SGMA International
Smart Growth International
Archery Trade Association
Theodore Roosevelt Conservation Partnership
Boone and Crockett Club
The Wildlife Society
AZ Antelope Foundation
AZ Desert Bighorn Sheep Society
AZ Wildlife Conservation Council
BASS/ESPN Outdoors
WILDEATS Enterprises
Association of Native Americans
Trout Unlimited
Ducks Unlimited
PA BASS Federation
Western Clinton Sportsmen's Association
Hodgman, Inc
Federation of Fly Fishers
The Conservation Council
State of Louisiana

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

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

S. 2590

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Americans Outdoors Act of 2004''.

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

Sec. 1. Short title; table of contents.

TITLE I—DISPOSITION OF OUTER CONTINENTAL SHELF REVENUES

Sec. 101. Disposition.

TITLE II—COASTAL IMPACT ASSISTANCE

Sec. 201. Coastal Impact Assistance Program.

TITLE III—LAND AND WATER CONSERVATION FUND

Sec. 301. Apportionment of amounts available for State purposes.
Sec. 302. State planning.
Sec. 303. Assistance to States for other projects.
Sec. 304. Conversion of property to other use.
Sec. 305. Water rights.

TITLE IV—CONSERVATION AND RESTORATION OF WILDLIFE

Sec. 401. Purposes.
Sec. 402. Definitions.
Sec. 403. Wildlife Conservation and Restoration Account.
Sec. 404. Apportionment to Indian tribes.
Sec. 405. No effect on prior appropriations.

TITLE V—URBAN PARK AND RECREATION RECOVERY PROGRAM

Sec. 501. Expansion of purpose of Urban Park and Recreation Recovery Act of 1978 to include development of new areas and facilities.
Sec. 502. Definitions.
Sec. 503. Eligibility.
Sec. 504. Grants.
Sec. 505. Recovery action programs.
Sec. 506. State action incentives.
Sec. 507. Conversion of recreation property.
Sec. 508. Treatment of transferred amounts.
Sec. 509. Repeal.

## TITLE I—DISPOSITION OF OUTER CONTINENTAL SHELF REVENUES

**SEC. 101. DISPOSITION.**

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended to read as follows:

**''SEC. 9. DISPOSITION OF REVENUES.**

''(a) IN GENERAL.—For each of fiscal years 2005 through 2010, the Secretary of the Treasury shall deposit in the Treasury of the United States all qualified outer continental shelf revenues (as defined in section 31(a)).

''(b) TRANSFER FOR CONSERVATION ROYALTY EXPENDITURES.—For each of fiscal years 2005 through 2010, from amounts deposited for the preceding fiscal year under subsection (a), the Secretary of the Treasury shall transfer—

''(1) to the Secretary to make payments under section 31, $500,000,000;

''(2) to the Land and Water Conservation Fund to provide financial assistance to States under section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8), $450,000,000;

''(3) to the Federal aid to wildlife restoration fund established under section 3 of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669b) for deposit in the Wildlife Conservation and Restoration Account, $350,000,000; and

''(4) to the Secretary to carry out the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.), $125,000,000. ''.

## TITLE II—COASTAL IMPACT ASSISTANCE

**SEC. 201. COASTAL IMPACT ASSISTANCE PROGRAM.**

Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a) is amended to read as follows:

**''SEC. 31. COASTAL IMPACT ASSISTANCE PROGRAM.**

''(a) DEFINITIONS.—In this section:

''(1) COASTAL POLITICAL SUBDIVISION.—The term 'coastal political subdivision' means a political subdivision of a coastal State any part of which political subdivision is—

''(A) within the coastal zone (as defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)) of the coastal State; and

''(B) not more than 200 miles from the geographic center of any leased tract.

''(2) COASTAL POPULATION.—The term 'coastal population' means the population, as determined by the most recent official data of the Census Bureau, of each political subdivision any part of which lies within the designated coastal boundary of a State (as defined in a State's coastal zone management program under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.)).

''(3) COASTAL STATE.—The term 'coastal State' has the meaning given the term in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453).

''(4) COASTLINE.—The term 'coastline' has the meaning given the term 'coast line' in section 2 of the Submerged Lands Act (43 U.S.C. 1301).

''(5) DISTANCE.—The term 'distance' means the minimum great circle distance, measured in statute miles.

''(6) LEASED TRACT.—The term 'leased tract' means a tract that is subject to a lease under section 6 or 8 for the purpose of drilling for, developing, and producing oil or natural gas resources.

''(7) POLITICAL SUBDIVISION.—The term 'political subdivision' means the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs.

''(8) PRODUCING STATE.—

''(A) IN GENERAL.—The term 'producing State' means a coastal State with a coastal seaward boundary within 200 miles from the geographic center of a leased tract.

''(B) EXCLUSION.—The term 'producing State' does not include a leased tract or portion of a leased tract that is located in a geographic area subject to a leasing moratorium on January 1, 2002, unless the lease was in production on that date.

''(9) QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—

''(A) IN GENERAL.—The term 'qualified Outer Continental Shelf revenues' means all amounts received by the United States after January 1, 2003, from each leased tract or portion of a leased tract—

''(i) lying—

''(I) seaward of the zone covered by section 8(g); or

''(II) within that zone, but to which section 8(g) does not apply; and

''(ii) the geographic center of which lies within a distance of 200 miles from any part of the coastline of any coastal State.

''(B) INCLUSIONS.—The term 'qualified Outer Continental Shelf revenues' includes bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-payment interest from natural gas and oil leases issued under this Act.

''(C) EXCLUSION.—The term 'qualified Outer Continental Shelf revenues' does not include any revenues from a leased tract or portion of a leased tract that is located in a geographic area subject to a leasing moratorium on January 1, 2002, unless the lease was in production on that date.

''(10) TRANSFERRED AMOUNT.—The term 'transferred amount' means the amount transferred to the Secretary under section 9 to make payments to producing States and coastal political subdivisions under this section for a fiscal year.

''(b) PAYMENTS TO PRODUCING STATES AND COASTAL POLITICAL SUBDIVISIONS.—

''(1) IN GENERAL.—For each of fiscal years 2005 through 2010, the transferred amount shall be allocated by the Secretary among producing States and coastal political subdivisions in accordance with this section.

''(2) DISBURSEMENT.—In each fiscal year, the Secretary shall, without further appropriation, disburse to each producing State for which the Secretary has approved a plan under subsection (c), and to coastal political subdivisions under paragraph (4), such funds as are allocated to the producing State or coastal political subdivision, respectively, under this section for the fiscal year.

''(3) ALLOCATION AMONG PRODUCING STATES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the transferred amount shall be allocated to each producing State in the proportion that, for the preceding 5-year period—

''(i) the amount of qualified outer Continental Shelf revenues generated off the coastline of the producing State; bears to

''(ii) the amount of qualified outer Continental Shelf revenues generated off the coastline of all producing States.

''(B) MULTIPLE PRODUCING STATES.—In a case in which more than 1 producing State is located within 200 miles of any portion of a leased tract, the amount allocated to each producing State for the leased tract shall be inversely proportional to the distance between—

''(i) the nearest point on the coastline of the producing State; and

''(ii) the geographic center of the leased tract.

''(4) PAYMENTS TO COASTAL POLITICAL SUBDIVISIONS.—

''(A) IN GENERAL.—The Secretary shall pay 35 percent of the amount allocated under paragraph (3) to the coastal political subdivisions in the producing State.

''(B) FORMULA.—Of the amount paid by the Secretary to coastal political subdivisions under subparagraph (A)—

''(i) 25 percent shall be allocated to each coastal political subdivision in the proportion that—

''(I) the coastal population of the coastal political subdivision; bears to

''(II) the coastal population of all coastal political subdivisions in the producing State;

''(ii) 25 percent shall be allocated to each coastal political subdivision in the proportion that—

''(I) the number of miles of coastline of the coastal political subdivision; bears to

''(II) the number of miles of coastline of all coastal political subdivisions in the producing State; and

''(iii) 50 percent shall be allocated in amounts that are inversely proportional to the respective distances between the points in each coastal political subdivision that are closest to the geographic center of each leased tract, as determined by the Secretary.

''(C) EXCEPTION FOR THE STATE OF LOUISIANA.—For the purposes of subparagraph (B)(ii), the coastline for coastal political subdivisions in the State of Louisiana without a coastline shall be the average length of the coastline of all other coastal political subdivisions in the State of Louisiana.

''(D) EXCEPTION FOR THE STATE OF ALASKA.—For the purposes of carrying out subparagraph (B)(iii) in the State of Alaska, the amounts allocated shall be divided equally among the 2 coastal political subdivisions that are closest to the geographic center of a leased tract.

''(E) EXCLUSION OF CERTAIN LEASED TRACTS.—For purposes of subparagraph (B)(iii), a leased tract or portion of a leased tract shall be excluded if the tract or portion of a leased tract is located in a geographic area subject to a leasing moratorium on January 1, 2002, unless the lease was in production on that date.

''(5) NO APPROVED PLAN.—

''(A) IN GENERAL.—Subject to subparagraph (B) and except as provided in subparagraph (C), in a case in which any amount allocated to a producing State or coastal political subdivision under paragraph (3) or (4) is not disbursed because the producing State does not have in effect a plan that has been approved by the Secretary under subsection (c), the Secretary shall allocate the undisbursed amount equally among all other producing States.

''(B) RETENTION OF ALLOCATION.—The Secretary shall hold in escrow an undisbursed amount described in subparagraph (A) until such date as the final appeal regarding the disapproval of a plan submitted under subsection (c) is decided.

''(C) WAIVER.—The Secretary may waive subparagraph (A) with respect to an allocated share of a producing State and hold the allocable share in escrow if the Secretary determines that the producing State is making a good faith effort to develop and submit, or update, a plan in accordance with subsection (c).

''(c) COASTAL IMPACT ASSISTANCE PLAN.—

''(1) SUBMISSION OF STATE PLANS.—

''(A) IN GENERAL.—Not later than July 1, 2005, the Governor of a producing State shall submit to the Secretary a coastal impact assistance plan.

''(B) PUBLIC PARTICIPATION.—In carrying out subparagraph (A), the Governor shall solicit local input and provide for public participation in the development of the plan.

''(2) APPROVAL.—

''(A) IN GENERAL.—The Secretary shall approve a plan of a producing State submitted under paragraph (1) before disbursing any amount to the producing State, or to a coastal political subdivision located in the producing State, under this section.

''(B) COMPONENTS.—The Secretary shall approve a plan submitted under paragraph (1) if—

''(i) the Secretary determines that the plan is consistent with the uses described in subsection (d); and

''(ii) the plan contains—

''(I) the name of the State agency that will have the authority to represent and act on behalf of the producing State in dealing with the Secretary for purposes of this section;

''(II) a program for the implementation of the plan that describes how the amounts provided under this section to the producing State will be used;

''(III) for each coastal political subdivision that receives an amount under this section—

''(aa) the name of a contact person; and

''(bb) a description of how the coastal political subdivision will use amounts provided under this section;

''(IV) a certification by the Governor that ample opportunity has been provided for public participation in the development and revision of the plan; and

''(V) a description of measures that will be taken to determine the availability of assistance from other relevant Federal resources and programs.

''(3) AMENDMENT.—Any amendment to a plan submitted under paragraph (1) shall be—

''(A) developed in accordance with this subsection; and

''(B) submitted to the Secretary for approval or disapproval under paragraph (4).

''(4) PROCEDURE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 90 days after the date on which a plan or amendment to a plan is submitted under paragraph (1) or (3), the Secretary shall approve or disapprove the plan or amendment.

''(B) EXCEPTION.—For fiscal year 2005, the Secretary shall approve or disapprove a plan submitted under paragraph (1) not later than December 31, 2005.

''(d) AUTHORIZED USES.—

''(1) IN GENERAL.—A producing State or coastal political subdivision shall use all amounts received under this section, including any amount deposited in a trust fund that is administered by the State or coastal political subdivision and dedicated to uses consistent with this section, in accordance with all applicable Federal and State law, only for 1 or more of the following purposes:

''(A) Projects and activities for the conservation, protection, or restoration of coastal areas, including wetland.

''(B) Mitigation of damage to fish, wildlife, or natural resources.

''(C) Planning assistance and the administrative costs of complying with this section.

''(D) Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan.

''(E) Mitigation of the impact of outer Continental Shelf activities through funding of onshore infrastructure projects and public service needs.

''(2) COMPLIANCE WITH AUTHORIZED USES.—If the Secretary determines that any expenditure made by a producing State or coastal political subdivision is not consistent with this subsection, the Secretary shall not disburse any additional amount under this section to the producing State or the coastal political subdivision until such time as all amounts obligated for unauthorized uses have been repaid or reobligated for authorized uses.''.

## TITLE III—LAND AND WATER CONSERVATION FUND

### SEC. 301. APPORTIONMENT OF AMOUNTS AVAILABLE FOR STATE PURPOSES.

Section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8) is amended—

(1) in the second sentence of subsection (a), by inserting ''(including facility rehabilitation, but excluding facility maintenance)'' after ''(3) development''; and

(2) by striking subsection (b) and inserting the following:

''(b) APPORTIONMENT AMONG THE STATES.—

''(1) DEFINITION OF STATE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), in this subsection, the term 'State' means—

''(i) each of the States of the United States;

''(ii) the District of Columbia;

''(iii) the Commonwealth of Puerto Rico;

''(iv) the Commonwealth of the Northern Mariana Islands;

''(v) the United States Virgin Islands;

''(vi) Guam; and

''(vii) American Samoa.

''(B) LIMITATION.—For the purposes of paragraph (3), the States referred to in clauses (iii) through (vii) of subparagraph (A)—

''(i) shall be treated collectively as 1 State; and

''(ii) shall each receive an apportionment under that paragraph based on the ratio that—

''(I) the population of the State; bears to

''(II) the population of all the States referred to in clauses (iii) through (vii) of subparagraph (A).

''(2) DEDUCTION FOR ADMINISTRATIVE EXPENSES.—For each fiscal year, the Secretary may deduct, for payment of administrative expenses incurred by the Secretary in carrying out this section, not more than 1 percent of the amounts made available for financial assistance to States for the fiscal year under this Act.

''(3) APPORTIONMENT.—

''(A) IN GENERAL.—Not later than 60 days after the end of the fiscal year, the Secretary shall apportion among the States the amounts remaining after making the deduction under paragraph (2).

''(B) FORMULA.—Subject to paragraph (5), of the amounts described in subparagraph (A) for each fiscal year—

''(i) 60 percent shall be apportioned equally among the States; and

''(ii) 40 percent shall be apportioned among the States based on the ratio that—

''(I) the population of each State (as reported in the most recent decennial census); bears to

''(II) the population of all of the States (as reported in the most recent decennial census).

''(4) LIMITATION.—For any fiscal year, the total apportionment to any 1 State under paragraph (3) shall not exceed 10 percent of the total amount apportioned to all States for the fiscal year.

''(5) STATE NOTIFICATION.—The Secretary shall notify each State of the amount apportioned to the State under paragraph (3).

''(6) USE OF FUNDS.—

''(A) IN GENERAL.—Amounts apportioned to a State under paragraph (3) may be used for planning, acquisition, or development projects in accordance with this Act.

''(B) LIMITATION.—Amounts apportioned to a State under paragraph (3) shall not be used for condemnation of land.

''(7) REAPPORTIONMENT.—

''(A) IN GENERAL.—Any portion of an apportionment to a State under this subsection that has not been paid or obligated by the Secretary by the end of the second fiscal year that begins after the date on which notification is provided to the State under paragraph (5) shall be reapportioned by the Secretary in accordance with paragraph (3).

''(B) LIMITATION.—A reapportionment under this paragraph shall be made without regard to the limitation described in paragraph (4).

''(8) APPORTIONMENT TO INDIAN TRIBES.—

''(A) DEFINITION.—In this paragraph, the term 'Indian tribe'—

''(i) in the case of the State of Alaska, means a Native corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)); and

''(ii) in the case of any other State, has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(B) APPORTIONMENT.—For the purposes of paragraph (3), each Indian tribe shall be eligible to receive a share of the amount available under paragraph (3) in accordance with a competitive grant program established by the Secretary.

''(C) TOTAL APPORTIONMENT.—The total apportionment available to Indian tribes under subparagraph (B) shall be equal to the amount available to a single State under paragraph (3).

''(D) AMOUNT OF GRANT.—For any fiscal year, the grant to any 1 Indian tribe under this paragraph shall not exceed 10 percent of the total amount made available to Indian tribes under paragraph (3).

''(E) USE OF FUNDS.—Funds received by an Indian tribe under this paragraph may be used for the purposes specified in paragraphs (1) and (3) of subsection (a).

''(9) LOCAL ALLOCATION.—Unless the State demonstrates on an annual basis to the satisfaction of the Secretary that there is a compelling reason not to provide grants under this paragraph, each State (other than the District of Columbia) shall make available, as grants to political subdivisions of the State, not less than 25 percent of the annual State apportionment under this subsection, or an equivalent amount made available from other sources.''.

**SEC. 302. STATE PLANNING.**

(a) IN GENERAL.—Section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8) is amended by striking subsection (d) and inserting the following:

''(d) SELECTION CRITERIA; STATE ACTION AGENDA.—

''(1) SELECTION CRITERIA.—Each State may develop priorities and criteria for selection of outdoor conservation and recreation acquisition and development projects eligible for grants under this Act, if—

''(A) the priorities and criteria developed by the State are consistent with this Act;

''(B) the State provides for public participation in the development of the priorities and criteria; and

''(C) the State develops a State action agenda (referred to in this section as a 'State action agenda') that includes the priorities and criteria established under this paragraph.

''(2) STATE ACTION AGENDA.—

''(A) IN GENERAL.—Not later than 5 years after the date of enactment of this subparagraph, the State, in partnership with political subdivisions of the State and Federal agencies and in consultation with the public, shall develop a State action agenda.

''(B) REQUIRED ELEMENTS.—A State action agenda shall—

''(i) include strategies to address broad-based and long-term needs while focusing on actions that can be funded during the 5-year period covered by the State action agenda;

''(ii) take into account all providers of conservation and recreation land in each State, including Federal, regional, and local government resources;

''(iii) include the name of the State agency that will have authority to represent and act for the State in dealing with the Secretary for the purposes of this Act;

''(iv) describe the priorities and criteria for selection of outdoor recreation and conservation acquisition and development projects; and

''(v) include a certification by the Governor of the State that ample opportunity for public participation has been provided in the development of the State action agenda.

''(C) UPDATE.—Each State action agenda shall be updated at least once every 5 years.

''(D) CERTIFICATION.—The Governor shall certify that the public has participated in the development of the State action agenda.

''(E) COORDINATION WITH OTHER PLANS.—

''(i) IN GENERAL.—The State action agenda shall be coordinated, to the maximum extent practicable, with other State, regional, and local plans for parks, recreation, open space, fish and wildlife, and wetland and other habitat conservation.

''(ii) RECOVERY ACTION PROGRAMS.—

''(I) IN GENERAL.—The State shall use recovery action programs developed by urban local governments under section 1007 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2506) as a guide to the conclusions, priorities, and action schedules contained in the State action agenda.

''(II) REQUIREMENTS FOR LOCAL PLANNING.—To minimize the redundancy of local outdoor conservation and recreation efforts, each State shall provide that, to the maximum extent practicable, the findings, priorities, and implementation schedules of recovery action programs may be used to meet requirements for local outdoor conservation and recreation planning that are conditions for grants under the State action agenda.

''(F) COMPREHENSIVE STATEWIDE OUTDOOR RECREATION PLAN.—A comprehensive statewide outdoor recreation plan developed by a State before the date that is 5 years after the date of enactment of this subparagraph shall remain in effect in the State until a State action agenda is adopted under this paragraph, but not later than 5 years after the date of enactment of that Act.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 6(e) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(e)) is amended—

(A) in the matter preceding paragraph (1), by inserting ''or State action agenda'' after ''State comprehensive plan''; and

(B) in paragraph (1), by inserting ''or State action agenda'' after ''comprehensive plan''.

(2) Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e)) is amended in the last proviso of the first paragraph by striking ''existing comprehensive statewide outdoor recreation plan found adequate for purposes of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897)'' and inserting ''comprehensive statewide outdoor recreation plan or State action agenda required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(3) Section 102(a)(2) of the National Historic Preservation Act (16 U.S.C. 470b(a)(2)) is amended by striking ''comprehensive statewide outdoor recreation plan prepared pursuant to the Land and Water Conservation Fund Act of 1965 (78 Stat. 897)'' and inserting ''comprehensive statewide outdoor recreation plan or State action agenda required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(4) Section 6(a) of the Federal Water Project Recreation Act (16 U.S.C. 460*l*–17(a)) is amended by striking ''State comprehensive plan developed pursuant to subsection 5(d) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897)'' and inserting ''comprehensive statewide outdoor recreation plan or State action agenda required

by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(5) Section 8(a) of the National Trails System Act (16 U.S.C. 1247(a)) is amended in the first sentence—

(A) by inserting ''or State action agendas'' after ''comprehensive statewide outdoor recreation plans''; and

(B) by inserting ''of 1965 (16 U.S.C. 460*l*–4 et seq.)'' after ''Fund Act''.

(6) Section 11(a)(2) of the National Trails System Act (16 U.S.C. 1250(a)(2)) is amended by striking ''(relating to the development of Statewide Comprehensive Outdoor Recreation Plans)'' and inserting ''(16 U.S.C. 460*l*–8)''.

(7) Section 11 of the Wild and Scenic Rivers Act (16 U.S.C. 1282) is amended—

(A) in subsection (a)—

(i) by inserting ''or State action agendas'' after ''comprehensive statewide outdoor recreation plans''; and

(ii) by striking ''(78 Stat. 897)'' and inserting ''(16 U.S.C. 460*l*–4 et seq.)''; and

(B) in subsection (b)(2)(B), by striking ''(relating to the development of statewide comprehensive outdoor recreation plans)'' and inserting ''(16 U.S.C. 460*l*–8)''.

(8) Section 206(d) of title 23, United States Code, is amended—

(A) in paragraph (1)(B), by striking ''statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.)'' and inserting ''comprehensive statewide outdoor recreation plan or State action agenda required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''; and

(B) in paragraph (2)(D)(ii), by striking ''statewide comprehensive outdoor recreation plan that is required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.)'' and inserting ''comprehensive statewide outdoor recreation plan or State action agenda that is required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(9) Section 202(c)(9) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712(c)(9)) is amended by striking ''statewide outdoor recreation plans developed under the Act of September 3, 1964 (78 Stat. 897), as amended'' and inserting ''comprehensive statewide outdoor recreation plans or State action agendas required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

**SEC. 303. ASSISTANCE TO STATES FOR OTHER PROJECTS.**

Section 6(e) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(e)) is amended—

(1) in paragraph (1), by striking '', but not including incidental costs relating to acquisition''; and

(2) in paragraph (2), by inserting before the colon the following: ''or to enhance public safety in a designated park or recreation area''.

**SEC. 304. CONVERSION OF PROPERTY TO OTHER USE.**

Section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(f)(3)) is amended—

(1) by striking ''(3) No property'' and inserting the following:

''(3) CONVERSION OF PROPERTY TO OTHER USE.—

''(A) IN GENERAL.—No property''; and

(2) by striking the second sentence and inserting the following:

''(B) REQUIREMENTS FOR APPROVAL.—The Secretary shall approve a conversion under subparagraph (A) if—

''(i) the State demonstrates that there is no other prudent or feasible alternative;

''(ii) the property no longer meets the criteria in the comprehensive statewide outdoor recreation plan or State action agenda for an outdoor conservation and recreation facility because of changes in demographics; or

''(iii) the property must be abandoned because of environmental contamination that endangers public health or safety.

''(C) CONDITIONS.—A conversion under subparagraph (A) shall satisfy any conditions that the Secretary determines to be necessary to ensure the substitution of other conservation or recreation property that is—

''(i) of at least equal fair market value;

''(ii) of reasonably equivalent usefulness and location; and

''(iii) consistent with the comprehensive statewide outdoor recreation plan or State action agenda.''.

**SEC. 305. WATER RIGHTS.**

Title I of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.) is amended by adding at the end the following:

**''SEC. 14. WATER RIGHTS.**

''Nothing in this title—

''(1) invalidates, preempts, or modifies any Federal or State water law or an interstate compact relating to water, including water quality and disposal;

''(2) alters the rights of any State to an appropriated share of the water of any body of surface water or groundwater, as established by interstate compacts entered into, legislation enacted, or final judicial allocations adjudicated before, on, or after the date of enactment of this Act; or

''(3) confers on any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.''.

## TITLE IV—CONSERVATION AND RESTORATION OF WILDLIFE

**SEC. 401. PURPOSES.**

The purposes of this title are—

(1) to ensure adequate funding of the program established under the amendments to the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669 et seq.) enacted by title IX of H.R. 5548 of the 106th Congress, as enacted by section 1(a)(2) of Public Law 106–553 (114 Stat. 2762, 2762A–118); and

(2) to ensure the conservation and sustainability of fish and wildlife to provide and promote greater hunting, angling, and wildlife viewing opportunities.

**SEC. 402. DEFINITIONS.**

Section 2 of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669a) is amended—

(1) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (7), and (8) as paragraphs (2), (4), (5), (6), (7), (8), (9), and (10), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

''(1) ACCOUNT.—The term 'Account' means the Wildlife Conservation and Restoration Account established by section 3(a)(2).'';

(3) by inserting after paragraph (2) (as redesignated by paragraph (1)) the following:

''(3) INDIAN TRIBE.—The term 'Indian tribe'—

''(A) in the case of the State of Alaska, means a Native corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)); and

''(B) in the case of any other State, has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).'';

(4) in paragraph (6) (as redesignated by paragraph (1)), by striking ''including fish'' and inserting ''(including, for purposes of section 4(d), fish)''; and

(5) in paragraph (10) (as redesignated by paragraph (1)), by striking ''includes the wildlife conservation and restoration program and''.

**SEC. 403. WILDLIFE CONSERVATION AND RESTORATION ACCOUNT.**

Section 3 of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669b) is amended—

(1) by striking ''SEC. 3. (a)(1) An'' and inserting the following:

**''SEC. 3. FEDERAL AID TO WILDLIFE RESTORATION FUND.**

''(a) IN GENERAL.—

''(1) FEDERAL AID TO WILDLIFE RESTORATION FUND.—An''; and

(2) in subsection (a)—

(A) in paragraph (1), by striking ''Federal aid to wildlife restoration fund'' and inserting ''Federal Aid to Wildlife Restoration Fund''; and

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

''(2) WILDLIFE CONSERVATION AND RESTORATION ACCOUNT.—

''(A) ESTABLISHMENT.—There is established in the fund a subaccount to be known as the 'Wildlife Conservation and Restoration Account'.

''(B) FUNDING.—Amounts transferred to the fund for a fiscal year under section 9(b)(3) of the Outer Continental Shelf Lands Act—

''(i) shall be deposited in the Account; and

''(ii) shall be available, without further appropriation, to carry out State wildlife conservation and restoration programs under section 4(d).''.

**SEC. 404. APPORTIONMENT TO INDIAN TRIBES.**

(a) IN GENERAL.—Section 4 of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669c) is amended—

(1) by redesignating the first subsection (c) as subsection (e); and

(2) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) APPORTIONMENT TO DISTRICT OF COLUMBIA, PUERTO RICO, TERRITORIES, AND INDIAN TRIBES.—

''(A) IN GENERAL.—Subject to subparagraph (B), for each fiscal year, the Secretary shall apportion from amounts available in the Account for the fiscal year—

''(i) to each of the District of Columbia and the Commonwealth of Puerto Rico, an amount equal to not more than ½ of 1 percent of amounts available in the Account;

''(ii) to each of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands, a sum equal to not more than ¼ of 1 percent of amounts available in the Account; and

''(iii) to Indian tribes, an amount equal to not more than 2¼ percent of amounts available in the Account, of which—

''(I) ⅓ shall be apportioned based on the ratio that the trust land area of each Indian tribe bears to the total trust land area of all Indian tribes; and

''(II) ⅔ shall be apportioned based on the ratio that the population of each Indian tribe bears to the total population of all Indian tribes.

''(B) MAXIMUM APPORTIONMENT TO INDIAN TRIBES.—For each fiscal year, the amounts apportioned under subparagraph (A)(iii) shall be adjusted proportionately so that no Indian tribe is apportioned a sum that is more than 5 percent of the amount available for apportionment under subparagraph (A)(iii) for the fiscal year.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c)(2) of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669b(c)(2)) is amended by striking ''sections 4(d) and (e) of this Act'' and inserting ''subsection (c) and (d) of section 4''.

(2) Section 4(b) of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669c(b)) is

amended by striking ''subsection (c)'' and inserting ''subsection (e)''.

(3) Section 4(d) of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669c(d)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and indenting the subclauses appropriately;

(ii) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and indenting the clauses appropriately;

(iii) by striking ''(1) Any State'' and inserting the following:

''(1) REQUIREMENTS.—

''(A) IN GENERAL.—Any State'';

(iv) by striking ''To apply'' and inserting the following:

''(B) PLAN.—To apply'';

(v) in subparagraph (A) (as designated by clause (iii))—

(I) by inserting ''or Indian tribe'' before ''may apply''; and

(II) by striking ''develop a program'' and inserting the following: ''develop a program for the conservation and restoration of species of wildlife identified by the State'';

(vi) in subparagraph (B) (as designated by clause (iv))—

(I) in the matter preceding clause (i) (as redesignated by clause (ii)), by inserting ''or Indian tribe'' before ''shall submit''; and

(II) in clause (i) (as redesignated by clause (ii)), by inserting ''or Indian tribe'' after ''State'';

(vii) by redesignating subparagraph (D) as subparagraph (C); and

(viii) in subparagraph (C) (as redesignated by clause (vii))—

(I) in the matter preceding clause (i), by inserting ''a State or Indian tribe shall'' before ''develop and begin'';

(II) in clause (i), by inserting ''or Indian tribe'' before ''deems appropriate'';

(III) in clauses (ii), (iii), (iv), and (vii), by striking ''paragraph (1)'' and inserting ''subparagraph (A)'';

(IV) in clause (vi)—

(aa) by striking ''State wildlife conservation strategy'' and inserting ''wildlife conservation strategy of the State or Indian tribe''; and

(bb) by striking the semicolon at the end and inserting ''; and''; and

(V) in clause (vii), by inserting ''by'' after ''feasible'';

(B) in paragraph (2), by inserting ''or Indian tribe'' after ''State'';

(C) in paragraph (3), by inserting ''or Indian tribe'' after ''State'' each place it appears; and

(D) in paragraph (4)—

(i) in subparagraph (A), by striking ''State's wildlife conservation and restoration program'' each place it appears and inserting ''wildlife conservation and restoration program of a State or Indian tribe''; and

(ii) in subparagraph (B)—

(I) by inserting ''or Indian tribe'' after ''each State''; and

(II) by striking ''State's wildlife conservation and restoration program'' and inserting ''wildlife conservation and restoration program of a State or Indian tribe''.

(4) Section 8(b) of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669g(b)) is amended by striking ''section 4(c)'' and inserting ''section 4(e)''.

(5) Section 10 of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669h–1) is amended—

(A) in subsection (a)(1)—

(i) in subparagraph (A), by inserting ''or obligated'' after ''used''; and

(ii) in subparagraph (B), by inserting ''or obligated'' after ''used''; and

(B) by striking ''section 4(c)'' each place it appears and inserting ''section 4(e)''

**SEC. 405. NO EFFECT ON PRIOR APPROPRIATIONS.**

Nothing in this title or any amendment made by this title applies to or otherwise affects the availability or use of any amounts appropriated before the date of enactment of this Act.

## TITLE V—URBAN PARK AND RECREATION RECOVERY PROGRAM

**SEC. 501. EXPANSION OF PURPOSE OF URBAN PARK AND RECREATION RECOVERY ACT OF 1978 TO INCLUDE DEVELOPMENT OF NEW AREAS AND FACILITIES.**

Section 1003 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2502) is amended in the first sentence by striking ''recreation areas, facilities,'' and inserting ''recreation areas and facilities, the development of new recreation areas and facilities (including acquisition of land for that development),'' .

**SEC. 502. DEFINITIONS.**

Section 1004 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2503) is amended—

(1) by striking ''When used in this title the term—'' and inserting ''In this title:'';

(2) by redesignating paragraphs (1), (2), and (3) of subsection (d) as subparagraphs (A), (B), and (C), respectively, and indenting appropriately;

(3) by redesignating subsections (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), and (k) as paragraphs (9), (10), (4), (1), (8), (6), (3), (12), (7), (13), and (5), respectively, and moving the paragraphs to appear in numerical order;

(4) in each of paragraphs (1), (3), (4), (5), (6), (7), (8), (9), (10), (12), and (13) (as redesignated by paragraph (3))—

(A)(i) by inserting ''_____.—The term'' before the first quotation mark; and

(ii) by inserting in the blank the term that is in quotations in each paragraph, respectively; and

(B) by capitalizing the first letter of the term as inserted in the blank under subparagraph (A)(ii);

(5) in each of paragraphs (1), (3), (4), (6), (7), (8), (9), (10), and (12) (as redesignated by paragraph (3)), by striking the semicolon at the end and inserting a period;

(6) in paragraph (13) (as redesignated by paragraph (3)), by striking ''; and'' at the end and inserting a period;

(7) by inserting after paragraph (1) (as redesignated by paragraph (3)) the following:

''(2) DEVELOPMENT GRANT.—

''(A) IN GENERAL.—The term 'development grant' means a matching capital grant made to a unit of local government to cover costs of development, land acquisition, and construction at 1 or more existing or new neighborhood recreation sites (including indoor and outdoor recreational areas and facilities, support facilities, and landscaping).

''(B) EXCLUSIONS.—The term 'development grant' does not include a grant made to pay the costs of routine maintenance or upkeep activities.'';

(8) in paragraph (5) (as redesignated by paragraph (3)), by inserting ''the Commonwealth of'' before ''Northern Mariana Islands''; and

(9) by inserting after paragraph (10) (as redesignated by paragraph (3)) the following:

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

**SEC. 503. ELIGIBILITY.**

Section 1005 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2504) is amended by striking subsection (a) and inserting the following:

''(a) ELIGIBILITY FOR ASSISTANCE.—

''(1) DEFINITION OF GENERAL PURPOSE LOCAL GOVERNMENT.—For the purpose of determining eligibility for assistance under this title, the term 'general purpose local government' includes—

''(A) any political subdivision of a metropolitan, primary, or consolidated statistical area, as determined by the most recent decennial census;

''(B) any other city, town, or group of 1 or more cities or towns within a metropolitan statistical area described in subparagraph (A) that has a total population of at least 50,000, as determined by the most recent decennial census; and

''(C) any other county, parish, or township with a total population of at least 250,000, as determined by the most recent decennial census.

''(2) SELECTION.—The Secretary shall award assistance to general purpose local governments under this title on the basis of need, as determined by the Secretary.''.

**SEC. 504. GRANTS.**

Section 1006(a) of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2505(a)) is amended—

(1) in the first sentence, by striking ''rehabilitation and innovative'';

(2) in paragraph (1), by striking ''rehabilitation and innovation''; and

(3) in paragraph (2), by striking ''rehabilitation or innovative''.

**SEC. 505. RECOVERY ACTION PROGRAMS.**

Section 1007(a) of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2506(a)) is amended—

(1) in the first sentence, by inserting ''development,'' after ''commitments to ongoing planning,''; and

(2) in paragraph (2), by inserting ''development and'' after ''adequate planning for''.

**SEC. 506. STATE ACTION INCENTIVES.**

Section 1008 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2507) is amended—

(1) in the first sentence, by inserting ''(a) IN GENERAL.—'' before ''The Secretary is authorized''; and

(2) by striking the last sentence of subsection (a) (as designated by paragraph (1)) and inserting the following:

''(b) COORDINATION WITH LAND AND WATER CONSERVATION FUND ACTIVITIES.—

''(1) IN GENERAL.—The Secretary and general purpose local governments are encouraged to coordinate the preparation of recovery action programs required by this title with comprehensive statewide outdoor recreation plans or State action agendas required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8) (including by allowing flexibility in preparation of recovery action programs so that those programs may be used to meet State and local qualifications for local receipt of grants under that Act or State grants for similar purposes or for other conservation or recreation purposes).

''(2) CONSIDERATIONS.—The Secretary shall encourage States to consider the findings, priorities, strategies, and schedules included in the recovery action programs of the urban localities of the States in preparation and updating of comprehensive statewide outdoor recreation plans or State action agendas in accordance with the public participation and citizen consultation requirements of section 6(d) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(d)).''.

**SEC. 507. CONVERSION OF RECREATION PROPERTY.**

Section 1010 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2509) is amended to read as follows:

**"SEC. 1010. CONVERSION OF RECREATION PROPERTY.**

''(a) IN GENERAL.—Except as provided in subsection (b), no property developed, acquired, improved, or rehabilitated using funds from a grant under this title shall, without the approval of the Secretary, be converted to any purpose other than a public recreation purpose.

''(b) APPROVAL.—

''(1) IN GENERAL.—The Secretary shall approve the conversion of property under subsection (a) to a purpose other than a public recreation purpose only if the grant recipient demonstrates that no prudent or feasible alternative exists.

''(2) APPLICABILITY.—Paragraph (1) applies to property that—

''(A) is no longer viable for use as a recreation facility because of changes in demographics; or

''(B) must be abandoned because of environmental contamination or any other condition that endangers public health or safety.

''(c) CONDITIONS.—Any conversion of property under this section shall satisfy such conditions as the Secretary considers necessary to ensure the substitution for the property of other recreation property that is—

''(1) at a minimum, equivalent in fair market value, usefulness, and location; and

''(2) subject to the recreation recovery action program of the grant recipient that is in effect as of the date of the conversion of the property.''.

**SEC. 508. TREATMENT OF TRANSFERRED AMOUNTS.**

Section 1013 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2512) is amended to read as follows:

**"SEC. 1013. FUNDING.**

''(a) TREATMENT OF AMOUNTS TRANSFERRED FROM GET OUTDOORS ACT FUND.—

''(1) IN GENERAL.—Amounts transferred to the Secretary under section 9(b)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1338(b)(4)) for a fiscal year shall be available to the Secretary, without further appropriation, to carry out this title.

''(2) UNPAID AND UNOBLIGATED AMOUNTS.—Any amount described in paragraph (1) that is not paid or obligated by the Secretary before the end of the second fiscal year beginning after the first fiscal year in which the amount is made available under paragraph (1) shall be reapportioned by the Secretary among grant recipients under this title.

''(b) DEDUCTION FOR ADMINISTRATIVE EXPENSES.—For each fiscal year, the Secretary may deduct, for payment of administrative expenses incurred by the Secretary in carrying out this section, not more than 4 percent of the amounts made available to the Secretary for the fiscal year under subsection (a).

''(c) LIMITATIONS ON ANNUAL GRANTS.—After making the deduction under subsection (b), of the amounts made available for a fiscal year under subsection (a)—

''(1) not more than 10 percent may be used for innovation grants under section 1006;

''(2) not more than 3 percent may be used for grants for the development of local park and recreation recovery action programs under subsections (a) and (c) of section 1007; and

''(3) not more than 15 percent, in the aggregate, may be provided in the form of grants for projects in any 1 State.

''(d) LIMITATION ON USE FOR GRANT ADMINISTRATION.—The Secretary shall establish a limit on the percentage, not to exceed 25 percent, of any grant under this title that may be used for grant and program administration.''.

**SEC. 509. REPEAL.**

Sections 1014 and 1015 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2513, 2514) are repealed.

Ms. LANDRIEU. Mr. President, I am pleased to join my colleague Senator ALEXANDER as we introduce this very significant conservation legislation. The junior Senator from Tennessee has been a long-time effective advocate for the environment and for conservation, not only in his own State of Tennessee but for our Nation.

The legislation we introduce today is a new, enhanced version of a piece of legislation that was introduced several years ago. We believe it is a very promising approach to launch one of the most significant conservation efforts ever considered by Congress. The American Outdoors Act is a landmark multiyear commitment to conservation programs directly benefiting all 50 States and hundreds of local communities. It creates a conservation royalty derived from the production of oil and gas on the Outer Continental Shelf and directs it toward the restoration of coastal wetlands, preservation of wildlife habitat, and it helps build and maintain local and State parks for our children, our children's children, for generations to come.

By enacting this legislation, we will make the most significant commitment of Federal resources to conservation ever and ensure a positive legacy of protecting and enhancing critical wildlife habitat, estuaries, marshlands, mountain ranges, open green spaces, and expanded recreational opportunity for Americans today and generations to come. The legislation builds on a great and notable effort made during the 106th Congress that was supported by Governors, mayors, and a coalition of over 5,000 organizations throughout the country. Unfortunately, despite our bipartisan and very deep and widespread support, our efforts were cut short before a final bill could be signed into law. Instead, a commitment was made by those who opposed the legislation last time to guarantee funding for these programs. And unfortunately, we all know the story and the outcome of those promises.

As we have painfully witnessed since then, these programs have not only been reduced, some of them have been eliminated completely, and are terribly underfunded in terms of the critical needs that are presented to us today.

What has happened is exactly what those of us who initiated the effort always anticipated. Each of these significant programs has been shortchanged and a number of them have been left out altogether or forced to compete with each other for Federal resources.

The legislation we are introducing today provides reliable, significant, and steady funding for the urgent and worthy conservation and outdoor recreation needs of our states and rapidly growing urban areas. What makes more sense than to take a portion of revenues from a depleting capital asset of the Nation—offshore Federal oil and gas resources—and reinvest them into sustaining the natural resources of our Nation: wetlands; parks and recreation areas and wildlife.

The Americans Outdoors Act dedicates assured funding for four distinct programs and honors promises made long ago to the American people. The four programs include:

Coastal impact assistance—$500 million to oil and gas producing coastal States to mitigate the various impacts of States that serve as the ''platform'' for the crucial development of Federal offshore energy resources from the Outer Continental Shelf as well as provide for wetland restoration. This program merely acknowledges the impacts to and contribution of States that are providing the energy to run our country's economy. The Outer Continental Shelf supplies 25 percent of our Nation's oil consumption, more than any other country including Saudi Arabia, with the promise of more, expected to reach 40 percent by 2008. Since this frontier was officially opened to significant oil and gas exploration in 1953, no single region has contributed as much to the nation's energy production as the OCS. The OCS accounts for more than 25 percent of our Nation's natural gas and oil production. With annual returns to the Federal Government averaging $5 billion annually, no single area has contributed as much to the Federal Treasury as the OCS. In fact, since 1953, the OCS has contributed $140 billion to the U.S. Treasury. Allocation to States would be based on their proximity to production. Thirty-five percent of the State's allocation would be shared with coastal political subdivisions based on a formula of 50 percent proximity to production, 25 percent miles of coastline and 25 percent coastal population;

$450 million for the State side of the Land and Water Conservation Fund, LWC, to provide stable funding to States for the planning and development of State and local parks and recreation facilities. The allocation to States would be 60 percent equally among all 50 States and 40 percent based on relative population. This program provides greater revenue certainty for State and local governments to help them meet their recreational needs through recreational facility development and resource protection—all under the discretion of State and local authorities while protecting the rights of private property owners;

Wildlife conservation, education and restoration—$350 million is allocated to all 50 States through the successful program of Pittman-Robertson for the conservation of nongame and game species, with the principal goal of preventing species from becoming endangered or listed under the Endangered Species Act. By taking steps now to prevent species from becoming endangered we are able to not only conserve the significant cultural heritage of wildlife enjoyment for the people of

this country, but also avoid the substantial costs associated with recovery for endangered species. Allocations to States would be based on a formula of ⅔ relative population and ⅓ relative land area; and

The Urban Parks and Recreation Recovery Program, UPARR—$125 million in the form of matching grants, 70 percent to provide direct assistance to our cities and towns so that they can focus on the needs of their populations within the more densely inhabited areas around the country where there are fewer green-spaces, playgrounds and soccer fields for our youth.

I would also like to acknowledge our interest in several programs that are not part of this initial package but will be considered as the bill moves through the process. For example, the Federal side of the Land and Water Conservation Fund which focuses primarily on Federal land acquisition. The goal of the Federal side of the LWCF was to share a significant portion of revenues from offshore development with States to provide for protection and public use of the natural environment. It is our intention to discuss this program with our colleagues on the Senate Energy and Natural Resources Committee with the goal of developing a compromise that will garner broad support. In addition, other worthy programs that are not part of the legislation we are introducing today but ideally would be part of a larger more comprehensive effort include Historic Preservation, Payment in Lieu of Taxes, PILT, and the Forest Legacy program.

While we confront a time of war, budget deficits and a struggling economy, setting aside a portion of oil and gas royalties to our states and localities for initiatives such as outdoor spaces or recreation facilities for our children to play could not be more crucial. Programs such as the State side of the Land and Water Conservation Fund are in fact the economic stimulus that our States and cities need in these times. The time has come to take the proceeds from a non-renewable resource for the purpose of reinvesting a portion of these revenues in the conservation and enhancement of our renewable resources. To continue to do otherwise, as we have over the last 50 years, is fiscally irresponsible.

As I said, the legislation we introduce today, therefore, provides a reliable, significant, and steady stream of funding that cannot be manipulated or tampered with at the whim of this or that, but will be there for conservation efforts that our local communities and States can count on to provide this great legacy and heritage for our grandchildren.

What makes more sense than taking a portion of the offshore oil and gas revenues that have generated almost $130 billion since the first well was drilled off of our shore on the Continental Shelf almost 100 years ago? What would make more sense than taking a small portion of that money and giving it back to the environment, back to our mountain ranges, to our marshes, to our coastal areas, protecting and preserving our great land for generations to come? The American Outdoors Act does exactly that.

It dedicates and assures funding for four distinct programs: Coastal impact assistance, of which Louisiana and other coastal States would benefit. Of course, we are proud to serve as oil and gas producers, helping us secure our energy independence from foreign sources, providing much critical feedstock, if you will, for our energy industry in the State, and expanding our economic opportunities. Because we produce so much oil and gas, we would deserve help with our vanishing coastline.

In addition, the other segment of this bill would fund the Land and Water Conservation Fund State side. As the Senator from Tennessee noted, he and I are firmly committed to also providing support and full funding for the Federal side of land and water, as this bill moves through the process.

Wildlife conservation, education, and restoration would be fully funded. That helps all of our States. The Urban Parks and Recreation Program, which has been so critical for quality-of-life issues and economic development in our cities, in our suburbs, our urban centers, would also be funded.

Time is not on our side. While other issues might be able to wait and other issues could maybe be funded gradually over time, for every month we delay, for every year we delay, we lose acres and acres, miles and miles of land we will never be able to recover.

Louisiana itself is literally washing away. We have lost the size of the State of Rhode Island off our coast in the last 100 years. If some foreign country attacked our country and tried to take a portion of land away from us, we would fight with every strength and every tool and every resource available. But we stand here literally in some ways twiddling our thumbs while this land is washed away into the Gulf of Mexico. And not just any land but very productive land and very necessary land, not just for Louisiana but for the entire United States.

I close with a quote from Teddy Roosevelt because it is appropriate. He was a great conservation President. Over 100 years ago he started many programs. I love taking my children to Theodore Roosevelt Island. We ride our bikes over there. I love telling them the story of Teddy Roosevelt.

I explain many stories about what he did, hunting in Louisiana, the history of the black bear, et cetera.

In his autobiography he wrote of his experiences in Coastal Louisiana:

> And to lose the chance to see frigate birds soaring in circles above the storm or, a file of pelicans winging their way homeward across the crimson afterglow of the sunset, or a myriad of terns flashing in the bright light of midday as they hover in a shifting maze above the beach, why, the loss is like the loss of a gallery of masterpieces of the artists of old time.

This is what he said when he recalled his trip to Breton Island Sound, the second of over 540 national wildlife heritage areas designated in the last 100 years. The land in this picture is gone. It no longer exists because we have twiddled our thumbs for almost 100 years.

Today we introduce a bill to stop us from twiddling our thumbs, direct our resources, get serious about conservation, serious about the taxpayer money, and do something with it that the overwhelming majority of the taxpayers would stand up and cheer, if they had the chance to vote on it.

I thank the Chair. It will be a pleasure working with the Senator from Tennessee as we lead this great effort.

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By Mr. CONRAD (for himself and Mr. DORGAN):

S. 2592. A bill to provide crop and livestock disaster assistance; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CONRAD. Mr. President, today I am joined by my colleague from North Dakota, Senator DORGAN, in introducing legislation intended to address the twin natural disasters that are threatening the livelihoods of farmers and ranchers across our State.

For much of North Dakota, the year began with great promise. Record high crop and livestock prices offered the potential for much needed improvement in farm income for producers throughout the State. The stage was set for increased returns from the marketplace, and a corresponding reduction in current costs under the 2002 Farm Bill.

Then Mother Nature intervened.

In early May, just as fieldwork was set to begin in earnest, many farmers in the northern part of the State were hit with a late snowfall and continued, unseasonably cool weather. That was followed by weeks of repeated rains, sometime several inches at a time. The deluge, and continued low temperatures, left fields soggy or underwater, and delayed and eventually prevented the planting of crops across huge swaths of the northern and northeastern part of the state, generating numerous reports of farmers being forced to abandon one-third, one-half, and even more of their crop ground.

As one hard struck farmer described the situation to me:

> Our 2004 crop is late again, due to cold wet ground since May 10. Heavy snow on May 11 and 12 and continuous rain is delaying all field work. If we don't get some help we will be forced to sell out. Input costs—fuel, fertilizer, and repairs never end. We haven't been able to seed a kernel of grain yet for 2004 due to too much water.

In the southwestern corner of North Dakota, the problem faced by livestock producers is just the opposite. Conditions are bone dry, and even though it's relatively early in the season, the land is parched, thanks to virtually no moisture since the start of the year and the lingering effect of a drought that has robbed the land of subsoil

moisture and that, for many producers, goes back two years or more.

Here's how one rancher explained what he's up against:

I am a registered Angus Producer in SW North Dakota. Our moisture situation is bad. We have had approximately 1″ of rain all spring if you count all the little showers together. The cool weather is the only thing that has saved what little forage there is in the pasture. There will be no hay crop and that includes trying to hay the ditches.

Another one wrote me:

I live in rural Sioux County North Dakota. I am a rancher. The drought situation is getting very serious. I am looking for options as far as feed & pasture for my cattle, but haven't found any yet. I have sold nearly half of my cattle since the dry conditions started in 2002. We appreciate any and all help that you can give us. This is cow country & I think we need to retain as much of our cattle numbers as we can.

These producers need real help and they need it urgently. That's why the bill I am introducing today follows closely the outline of disaster assistance legislation enacted in recent years, all in an effort to speed the delivery of crop and livestock assistance to those who livelihoods hang in the balance.

The essential provisions of the ''Agricultural Assistance Act of 2004'' are as follows:

First, in the case of crop losses, eligibility for assistance would be triggered by production losses exceeding 35 percent of normal yields. Under the bill, producers who had purchased crop insurance—which under the best of options covers only a portion of normal yields—would receive a payment equal to 50 percent of the ''established price'' for the crop. Those who did not purchase crop insurance would receive a payment equal to just 40 percent of the established price, and would be required to purchase crop insurance for each of the following two crop years. Assistance to individual producers would be limited as provided in previously-enacted disaster bills.

In the case of ranchers suffering grazing losses of 40 percent or more during three consecutive months, they would be eligible for payments to help defray the cost of purchasing feed. Payments under this program would similarly be limited as provided in past legislation.

Finally, I think it is important that in providing this assistance, we reinforce crop insurance as the foundation for agricultural risk management. This bill would do that. First, by not penalizing—as previous legislation did—those who had purchased crop insurance at higher coverage levels, and second, by decreasing the payment to those who purchased no crop insurance at all.

The natural disasters facing our farmers and ranchers demand immediate attention, and I urge the Congress, and the President, to act.

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By Mr. LIEBERMAN:

S. 2594. A bill to reduce health care disparities and improve health care quality, to improve the collection of racial, ethnic, primary language, and socio-economic determination data for use by healthcare researchers and policymakers, to provide performance incentives for high performing hospitals and community health centers, and to expand current Federal programs seeking to eliminate health disparities; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, our Nation wrestles with a medical mystery that affects the health and very lives of millions of Americans every year: Why do patients with similar ailments have such disparate outcomes?

Albert Einstein once said: ''I cannot believe that God plays dice with the world.'' I would never quibble with Einstein. And besides, I strongly believe that myself.

I also believe we should aspire to that ideal in the earthly institutions we create, like our health care system. Medical outcomes should not be a matter of luck. Treatment should be as predictable and equal as possible within the bounds of science and human fallibility.

But that is not the system we have today. Study after study shows that we have created a health care casino where the quality of care seems to have as much to do with the luck of the dice as anything else.

In America, good medical care for all should be a given—not a gamble.

That is why today I am introducing legislation I call FairCare. FairCare will give us the tools we need to begin eliminating these across-the-board problems of medical disparities among patients with identical ailments.

In the broadest sense, we know we have two problems—quality of care and disparity of care. While these problems are distinct and separate—solving either will help solve both.

Let me dramatize the kind of odds we are talking about when a patient enters the healthcare system. I would ask my colleagues to imagine for a moment that they are in a casino, rolling dice and need a five or a nine to win. The odds of you winning with either of those numbers is about 60 percent. Of course, that means you have a 40 percent chance of losing.

Now, if you enjoy gambling—and are not betting a lot of money—maybe that's fun. But would you bet your house on those odds? Or your children's college fund? Or your health—or your life?

Well, the odds in our imaginary dice game are the precise odds we send people into the health care system every day.

A recent study reported in the New England Journal of Medicine said that about 40 percent of patients reported medical errors in the care of either themselves or a loved one. The cost of these mistakes is staggering. Between 44,000 and 100,000 people die each year because of those medical mistakes.

To put those shocking numbers in perspective, imagine if you will that our nation experienced a day like September the 11th, at least twice a month, every month—for a year.

Overall, the cost of not getting it right the first time represents a yearly loss to the national economy of $17 to $29 billion. This is due largely to the medical complications that must be treated down the line because of the initial medical errors, as well as lost wages and productivity.

Now, while most Americans have problems finding high-quality health care at a reasonable cost, racial and ethnic minorities fare the worst.

Medical studies also show that:

When actors portrayed patients with identical complaints of chest pain, women and African Americans were 40 percent less likely to have their complaints taken seriously and be referred for further diagnostic tests.

Hispanics with asthma are almost twice as likely as white patients to face largely-avoidable emergency rooms visits or have the illness limit their daily activities.

Infants born to American Indians and Alaskan Natives are twenty-five percent more likely than the national average to die in the first year of life.

Asian American women are 20 percent less likely to get life-saving screening exams for cervical cancer than white women.

And many of these disparities persist, even when factors like income and access to health care are taken into account. Why is this? The answer is: We don't exactly know. But it is clear that we do not have a color blind healthcare system. And unequal treatment is Un-American. We cannot tolerate it. Rather, we must understand it, confront it, and fix it.

Besides, solving this medical mystery for the most severely affected minority groups will improve healthcare for everyone else as well. In other words, if we can dramatically increase the quality of medical care, unfair disparities will decline and all will benefit.

The clues to solving the problems of both medical quality and healthcare disparities are there. We just have to go find them. That will require gathering crucial information that will help us clearly identify the problems. Then we can help finance the solutions that will cure them.

That's why we need FairCare.

To begin, we need data—we need to see where we have quality problems and where we have disparities in care. FairCare will bring the medical and patient communities together to help us better measure healthcare quality in a scientific way that will give us our first comprehensive glimpse of where the problems lie.

Once glimpsed, FairCare can begin to fund improvement efforts developed by local hospitals and community health centers that fit the needs of their local neighborhoods. FairCare will use the reach and resources of Medicare to reward hospitals that improve quality and reduce disparities.

In recent testimony before the House Ways and Means Subcommittee on Health Care, Glenn Hackbarth, Chairman of Medicare Payment Advisory Commission, said he agreed with this approach. ''It is time for Medicare to take the next step in quality improvement and put financial incentives for quality directly into its payment systems,'' he said.

Under FairCare, community health centers not part of the Medicare system will be eligible for grants and bonuses. In other words, FairCare is a carrots program, not a sticks program—it rewards hospitals and health centers that perform—that make progress in implementing quality healthcare and reducing healthcare disparities.

We will also provide tax relief to help FairCare providers cover the cost of their malpractice insurance.

Taken together, FairCare will give our most overburdened and financially strapped healthcare providers—that act to deliver quality medicine—the help they need to give their communities the help they need. And when they succeed, we will all win. When they succeed, good medical care for all will be a given—not a gamble.

Just as God does not play dice with the world, we will no longer play dice with the lives of our most vulnerable—the sick and the ailing.

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

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

S. 2594

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Faircare Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.

TITLE I—DEMOGRAPHIC DATA COLLECTION

Sec. 101. Data on race, ethnicity, highest education level attained, and primary language.
Sec. 102. Revision of HIPAA claims standards.

TITLE II—IMPROVED COLLECTION OF QUALITY DATA

Sec. 201. Authority of Agency for Healthcare Research and Quality.

''PART C—IMPROVED COLLECTION OF QUALITY DATA

''Sec. 921. General authority of the Agency to determine measures.
''Sec. 922. Use of hospital-specific measures.
''Sec. 923. Outpatient-specific measures.
''Sec. 924. Ranking of measures.
''Sec. 925. Advisory Committee on Quality.
''Sec. 926. Updates of conditions.
''Sec. 927. Reporting of measures.
''Sec. 928. Voluntary submission of data.
''Sec. 929. Authorization of appropriations.
Sec. 202. Office of national healthcare disparities and quality.

TITLE III—FAIRCARE HOSPITAL PROGRAM

Sec. 301. Faircare hospital program.
Sec. 302. Technical assistance grants.

TITLE IV—COMMUNITY HEALTH CENTERS.

Sec. 401. Authority of Bureau of Primary Health Care to develop new reporting standards.
Sec. 402. Faircare designation for health centers.
Sec. 403. Grants for technical assistance.
Sec. 404. Health disparity collaboratives.

TITLE V—REACH 2010

Sec. 501. Expansion of REACH 2010

TITLE VI—MALPRACTICE INSURANCE RELIEF

Sec. 601. Refundable tax credit for the cost of malpractice insurance for certain providers.
Sec. 602. Grants to non-profit hospitals.
Sec. 603. Grants for research into quality of care and medical errors.
Sec. 604. Authorization of appropriations.

**SEC. 2. FINDINGS.**

(a) EVIDENCE OF HEALTHCARE DISPARITIES.—With respect to evidence of healthcare disparities, Congress makes the following findings:

(1) Healthcare disparities affect the lives, health, and livelihood of Americans, and increase the overall cost of health care in the United States.

(2) Minority patients with chronic diseases have been found less likely to receive the necessary services required to manage effectively these illnesses, such as routine blood pressure checks or eye examinations, and are less likely to receive treatments to cure these conditions, such as heart surgeries or kidney transplants.

(3) Studies have shown that non-English speaking patients report more satisfaction with health encounters and have better health outcomes after encounters with healthcare providers who speak their primary language.

(4) The Institute of Medicine's report ''In the Nation's Compelling Interest'', concluded that racial and ethnic minority healthcare providers are significantly more likely than their white peers to serve minority and medically underserved communities, thereby helping to improve problems of limited minority access to care.

(5) Data from the National Center for Health Statistics demonstrates that minorities are less likely to receive routine cancer screenings even when they do have health insurance and access to healthcare providers, and once diagnosed with cancer, elderly minority patients are also less likely to receive appropriate treatment for pain associated with cancer.

(b) EVIDENCE OF INCONSISTENCIES IN HEALTHCARE QUALITY.—With respect to evidence of inconsistencies in healthcare quality, Congress makes the following findings:

(1) Inconsistent healthcare quality threatens the health of all Americans regardless of race, ethnicity, or socio-economic status.

(2) Studies by the RAND Corporation have shown that all patients in the United States have only a 55 percent possibility of receiving clinically appropriate care in the healthcare setting, despite the fact that the United States spends twice as much as other industrialized countries on health care.

(3) The control of hypertension is essential to reducing mortality from heart disease, stroke, and diabetes complications, yet, only 23 percent of Americans with hypertension are adequately treated.

(4) About 1 in 5 elderly Americans are prescribed inappropriate medications.

(5) Only 21 percent of Americans with diabetes get all recommended checkups.

(6) One of the safest, simplest, and most cost-effective ways to reduce cancer morbidity and mortality is to increase screening rates for selected cancers including colorectal cancers, yet, less than half of men and women over the age of 50 report screening for colorectal cancers.

(7) In the United States, over 1/4 of infants and toddlers of all races and ethnicities do not receive all recommended vaccines.

(8) Breakthroughs in treatments have enabled more patients to survive and live better, yet too many of these treatments are not being administered to all those who can benefit from them.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) HEALTH DISPARITY POPULATIONS.—The term ''health disparity populations'' has the meaning given that term in section 485E(d) of the Public Health Service Act (42 U.S.C. 287c–31(d)).

(2) RACIAL AND ETHNIC MINORITY.—The term ''racial and ethnic minority'' has the meaning given the term ''racial and ethnic minority group'' in section 1707(g)(1) of the Public Health Service Act (42 U.S.C. 300u–6(g)(1)).

## TITLE I—DEMOGRAPHIC DATA COLLECTION

**SEC. 101. DATA ON RACE, ETHNICITY, HIGHEST EDUCATION LEVEL ATTAINED, AND PRIMARY LANGUAGE.**

(a) PURPOSE.—It is the purpose of this section to promote data collection and reporting by race, ethnicity, highest education level attained, and primary language among federally supported health programs.

(b) AMENDMENT.—Part B of title II of the Public Health Service Act (42 U.S.C. 238 et seq.) is amended by adding at the end the following:

**''SEC. 249. DATA ON RACE, ETHNICITY, HIGHEST EDUCATION LEVEL ATTAINED, AND PRIMARY LANGUAGE.**

''(a) REQUIREMENTS.—

''(1) IN GENERAL.—Each health-related program operated by or that receives funding or reimbursement, in whole or in part, either directly or indirectly from the Department of Health and Human Services shall, in accordance with the schedule described in subsection (e)—

''(A) require the collection, by the agency or program involved, of data on the race, ethnicity, highest education level attained, and primary language of each applicant for and recipient of health-related assistance under such program—

''(i) using, at a minimum, the categories for race and ethnicity described in the 1997 Office of Management and Budget Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity;

''(ii) using the standards developed under subsection (d) for the collection of language data;

''(iii) where practicable, collecting data for additional population groups if such groups can be aggregated into the minimum race and ethnicity categories as defined by the Office of Management and Budget; and

''(iv) where practicable, through self-reporting;

''(B) with respect to the collection of the data described in subparagraph (A) for applicants and recipients who are minors or otherwise legally incapacitated, require that—

''(i) such data be collected from the parent or legal guardian of such an applicant or recipient; and

''(ii) the preferred language of the parent or legal guardian of such an applicant or recipient be collected; and

''(C) ensure that the provision of assistance to an applicant or recipient of assistance is not denied or otherwise adversely affected because of the failure of the applicant or recipient to provide race, ethnicity, highest education level attained, and primary language data.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to permit the use of information collected under this subsection in a manner that would adversely affect any individual providing any such information.

''(b) PROTECTION OF DATA.—The Secretary shall ensure (through the promulgation of regulations or otherwise) that all data collected pursuant to subsection (a) is protected—

''(1) under the same privacy protections as the Secretary applies to other health data under the regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191; 110 Stat. 2033) relating to the privacy of individually identifiable health information and other protections; and

''(2) from all inappropriate internal use by any entity that collects, stores, or receives the data, including use of such data in determinations of eligibility (or continued eligibility) in health plans, and from other inappropriate uses, as defined by the Secretary.

''(c) COMPLIANCE WITH STANDARDS.—Data collected under subsection (a) shall be obtained, maintained, and presented (including for reporting purposes) in accordance with, at a minimum, the 1997 Office of Management and Budget Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity.

''(d) LANGUAGE COLLECTION STANDARDS.—Not later than 1 year after the date of enactment of this section, the Director of the Office of Minority Health, in consultation with the Office for Civil Rights of the Department of Health and Human Services, shall develop and disseminate Standards for the Classification of Federal Data on Preferred Written and Spoken Language.

''(e) SCHEDULE OF COMPLIANCE.—Data collection under subsection (a) shall be required within the following time periods:

''(1) With respect to medicare-related data (under title XVIII of the Social Security Act), such data shall be collected not later than 2 years after the date of enactment of this section, including data related to—

''(A) the Medicare Hospital Quality Initiative;

''(B) the Center for Medicare and Medicaid Services Abstraction or Reporting Tools (referred to in this section as 'CART');

''(C) all CART equivalent private databases used to submit data for the Medicare Hospital Quality Initiative or medicare billing (including data for both medicare and nonmedicare patients); and

''(D) all medicare billing communications.

''(2) With respect to data that is not currently mandated or collected and reported by the medicaid and State Children's Health Insurance Program (under titles XIX and XXI of the Social Security Act), such data shall be collected not later than 4 years after the date of enactment of this section.

''(3) With respect to data relating to biomedical and health services research that is described in subsection (a), such data shall be collected not later than 6 years after the date of enactment of this section.

''(4) With respect to data relating to all other programs described in subsection (a), such data shall be collected not later than 6 years after the date of enactment of this section.

''(f) TECHNICAL ASSISTANCE FOR THE COLLECTION AND REPORTING OF DATA.—

''(1) IN GENERAL.—The Secretary may, either directly or through grant or contract, provide technical assistance to enable a healthcare program or an entity operating under such program to comply with the requirements of this section.

''(2) TYPES OF ASSISTANCE.—Assistance provided under this subsection may include assistance to—

''(A) enhance or upgrade information technology that will facilitate race, ethnicity, highest education level attained, and primary language data collection and analysis;

''(B) improve methods for health data collection and analysis including additional population groups beyond the Office of Management and Budget categories if such groups can be aggregated into the minimum race and ethnicity categories;

''(C) develop mechanisms for submitting collected data subject to existing privacy and confidentiality regulations; and

''(D) develop educational programs to inform health insurance issuers, health plans, health providers, health-related agencies, and the general public that data collection and reporting by race, ethnicity, and preferred language are legal and essential for eliminating health and healthcare disparities.

''(g) GRANTS FOR DATA COLLECTION BY COMMUNITY HEALTH CENTERS AND HOSPITALS.—

''(1) IN GENERAL.—The Secretary, in consultation with the Administrator of the Centers for Medicare & Medicaid Services and the Administrator of the Health Resources and Services Administration, is authorized to award grants for the conduct of 100 demonstration programs, 50 percent of which shall be conducted by community health centers and 50 percent of which shall be conducted by hospitals, to enhance the ability of such centers and hospitals to collect, analyze, and report the data required under subsection (a).

''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), a community health center or hospital shall—

''(A) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require; and

''(B) provide assurances that the community health center or hospital will use, at a minimum, the racial and ethnic categories and the standards for collection described in the 1997 Office of Management and Budget Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity and available standards for language.

''(3) ACTIVITIES.—A grantee shall use amounts received under a grant under paragraph (1) to—

''(A) collect, analyze, and report data by race, ethnicity, highest education level attained, and primary language for patients served by the hospital (including emergency room patients and patients served on an outpatient basis) or community health center;

''(B) enhance or upgrade computer technology that will facilitate racial, ethnic, highest education level attained, and primary language data collection and analysis;

''(C) provide analyses of disparities in health and healthcare, including specific disease conditions, diagnostic and therapeutic procedures, or outcomes;

''(D) improve health data collection and analysis for additional population groups beyond the Office of Management and Budget categories if such groups can be aggregated into the minimum race and ethnicity categories;

''(E) develop mechanisms for sharing collected data subject to privacy and confidentiality regulations;

''(F) develop educational programs to inform health insurance issuers, health plans, health providers, health-related agencies, patients, enrollees, and the general public that data collection, analysis, and reporting by race, ethnicity, and preferred language are legal and essential for eliminating disparities in health and healthcare; and

''(G) develop quality assurance systems designed to track disparities and quality improvement systems designed to eliminate disparities.

''(4) COMMUNITY HEALTH CENTER; HOSPITAL.—In this subsection:

''(A) COMMUNITY HEALTH CENTER.—The term 'community health center' means a Federally qualified health center as defined in section 1861(aa)(4) of the Social Security Act.

''(B) HOSPITAL.—The term 'hospital' means a hospital participating in the prospective payment system under section 1886 of the Social Security Act and that is submitting quality indicators data in accordance with section 1886(b)(3)(B)(vii)(II) of the Social Security Act.

''(h) DEFINITION.—In this section, the term 'health-related program' means a program—

''(1) under the Social Security Act (42 U.S.C. 301 et seq.) that pays for healthcare and services; and

''(2) under this Act that provides Federal financial assistance for healthcare, biomedical research, health services research, and other programs designated by the Secretary.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2005, and such sums as may be necessary for each of fiscal years 2006 through 2015.''.

**SEC. 102. REVISION OF HIPAA CLAIMS STANDARDS.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall revise the regulations promulgated under part C of title XI of the Social Security Act (42 U.S.C. 1320d et seq.), as added by the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), relating to the collection of data on race, ethnicity, highest education level attained, and primary language in a health-related transaction to require—

(1) the use, at a minimum, of the categories for race and ethnicity described in the 1997 Office of Management and Budget Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity;

(2) the establishment of new data code sets for highest education level attained and primary language; and

(3) the designation of the racial, ethnic, highest education level attained, and primary language code sets as ''required'' for claims and enrollment data.

(b) DISSEMINATION.—The Secretary of Health and Human Services shall disseminate the new standards developed under subsection (a) to all health entities that are subject to the regulations described in such subsection and provide technical assistance with respect to the collection of the data involved.

(c) COMPLIANCE.—Not later than 1 year after the final promulgation of the regulations developed under subsection (a), the Secretary of Health and Human Services shall require that health entities comply with such standards.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2005 through 2015.

## TITLE II—IMPROVED COLLECTION OF QUALITY DATA

**SEC. 201. AUTHORITY OF AGENCY FOR HEALTHCARE RESEARCH AND QUALITY.**

Title IX of the Public Health Service Act (42 U.S.C. 299 et seq.) is amended—

(1) by redesignating part C as part D;

(2) by redesignating sections 921 through 928, as sections 931 through 938, respectively;

(3) in section 938(1) (as so redesignated), by striking ''921'' and inserting ''931''; and

(4) by inserting after part B the following:

### "PART C—IMPROVED COLLECTION OF QUALITY DATA

**"SEC. 921. GENERAL AUTHORITY OF THE AGENCY TO DETERMINE MEASURES.**

''(a) IN GENERAL.—The Agency, in consultation with the Centers for Medicare & Medicaid Services, the Health Resources and Services Administration, the Office for Civil Rights of the Department of Health and Human Services, and the Office of Minority Health, shall have the authority to develop a new set of quality measures for each of the most common treatment settings. Such settings shall include, but not be limited to, hospitals, outpatient facilities, community health centers, long term care facilities, and other independent health care facilities.

''(b) REQUIREMENTS.—The quality measures developed under subsection (a) shall—

''(1) as closely as possible reflect the healthcare priority areas determined by the Institute of Medicine, the National Quality Forum, the Quality Initiative, and other healthcare quality and health care disparity organizations as determined by the Secretary;

''(2) reflect the Institute of Medicine's goal of inclusiveness, improvability, and impact, addressing pervasive health and healthcare problems that produce a high level of morbidity and mortality, that disproportionally affect health disparity populations, and that have the potential for improvement with the consistent application of proven medical interventions; and

''(3) where practical, employ process measures of care.

**"SEC. 922. USE OF HOSPITAL-SPECIFIC MEASURES.**

''(a) DEVELOPMENT.—

''(1) IN GENERAL.—The Agency, in conjunction with the Centers for Medicare & Medicaid Services, shall develop a set of hospital quality measures.

''(2) USE.—The Secretary shall ensure that the Hospital Quality Initiative and the Robust Project Measures of the Centers for Medicare & Medicaid Services, and other Centers for Medicare & Medicaid Services directed quality initiatives use the hospital quality measures developed under paragraph (1).

''(b) SUBMISSION.—The information required under the measures developed under subsection (a) shall be submitted in accordance with section 1886(b)(3)(B)(vii) except that any reference to '2007' shall be deemed to be a reference to '2015'.

**"SEC. 923. OUTPATIENT-SPECIFIC MEASURES.**

''(a) IN GENERAL.—The Agency, in conjunction with the Bureau of Primary Health Care within the Health Resources and Services Administration, shall develop a set of outpatient quality measures. Such measures may be used as a supplement to existing demographic or quality reporting instruments or other quality reporting instruments utilized by the Health Resources and Services Administration.

''(b) VOLUNTARY SUBMISSION.—Submission of the supplementary information required under the measures developed under subsection (a) shall be voluntary.

''(c) DISCRETIONARY USE.—The measures developed under subsection (a) may be used as appropriate by the Hospital Quality Initiative and the Robust Project Measures and other Centers for Medicare & Medicaid Services-directed quality initiatives.

**"SEC. 924. RANKING OF MEASURES.**

''The Agency shall—

''(1) determine which of the quality measures developed under this part have the greatest potential to remedy healthcare disparities;

''(2) rank such quality measures according to such potential; and

''(3) rank such quality measures separately as applicable to hospitals and outpatients.

**"SEC. 925. ADVISORY COMMITTEE ON QUALITY.**

''(a) IN GENERAL.—The Agency shall establish an Advisory Committee on Quality (referred to in this section as the 'Advisory Committee') to recommend quality indicators for all quality data sets developed under this section. The Agency may designate a governmental or nongovernmental committee existing on the date of enactment of this part to serve as the Advisory Committee so long as the membership requirements of subsection (b) are complied with.

''(b) MEMBERSHIP.—The Advisory Committee shall be composed of not less than 10 members, including—

''(1) the Director;

''(2) the Administrator of the Centers for Medicare & Medicaid Services;

''(3) the Director of the Centers for Disease Control and Prevention;

''(4) the Administrator of the Health Resources and Services Administration;

''(5) the Director of the Office of Minority Health of the Department of Health and Human Services;

''(6) the Director of the Office for Civil Rights of the Department of Health and Human Services;

''(7) the Director of the Indian Health Service;

''(8) the chairperson of the Institute of Medicine National Roundtable on Healthcare Quality or other representatives of the Institute of Medicine;

''(9) the chairperson of the National Quality Forum;

''(10) the Director of the Joint Commission on Accreditation of Healthcare Organizations;

''(11) a representative of the Quality Initiative; and

''(12) other members to be appointed by the Secretary to represent other private, public, and non-profit stakeholders from medicine, healthcare, patient groups, and academia, who shall serve for a term of 3 years, and shall include a mix of different professions and broad geographic and culturally diverse representation

''(c) DUTIES.—The Advisory Committee shall—

''(1) for each 3 year period beginning with fiscal year 2005, report to the Agency recommendations of quality indicators for all quality data sets described in this part;

''(2) in making the recommendations described in paragraph (1), focus on how best to integrate the findings of the Institute of Medicine, the National Quality Forum, the Quality Initiative, and other healthcare quality and healthcare disparity organizations as determined by the Secretary into quality measures that can be used in carrying out sections 922 and 923; and

''(3) address issues of continuity of care between ambulatory care and inpatient settings to the maximum extent practicable.

**"SEC. 926. UPDATES OF CONDITIONS.**

''(a) IN GENERAL.—At least once during every 3-year period beginning in fiscal year 2006, the Secretary shall direct the Agency to update the list of measures as described in sections 922 and 923. Such updates shall be based on recommendations of the Advisory Committee established under section 925 and determined in consultation with the Centers for Medicare & Medicaid Services and the Health Resources and Services Administration.

''(b) REQUIREMENT.—For each period in which an update is undertaken under subsection (a), the Agency shall ensure that the recommendations referred to such subsection include measures for at least 4 additional conditions identified by the Institute of Medicine National Roundtable on Healthcare Quality, or measures developed by other healthcare disparity or healthcare quality organizations as determined by the Secretary, and not addressed by the quality reporting initiatives administered by the Secretary on the date of enactment of this part. The requirement of this section shall apply until there are measures for all Institute of Medicine priority areas.

**"SEC. 927. REPORTING OF MEASURES.**

''(a) IN GENERAL.—Not later than 5 years after the date of enactment of the Faircare Act, the Secretary shall enter into a contract with the Institute of Medicine to produce a report on the effectiveness of the quality measures developed by the Agency under this part in accurately assessing the quality of healthcare and healthcare disparities present in hospitals, community health centers, and other appropriate health care settings. Such report shall evaluate the progress made in improving the quality and consistency of healthcare and reducing healthcare disparities.

''(b) MANNER OF REPORTING.—All data reported under the Faircare Act (including data reported under this part) shall, to the maximum extent practicable, be reported by race, ethnicity, primary language, and highest educational level attained in accordance with section 249.

**"SEC. 928. EFFECTIVENESS RESEARCH GRANTS.**

''The Office of Minority Health shall have the authority to award grants to study the effectiveness of all measures and programs established under this part. The Office shall recommend ways to improve such measure and programs and to implement the findings of the study conducted under section 927.

**"SEC. 929. PROTECTION OF DATA.**

''(a) RULE OF CONSTRUCTION.—Nothing in this part shall be construed to permit the use of information collected under this part in a manner that would adversely affect any individual providing any such information.

''(b) PROTECTION OF DATA.—The Secretary shall ensure (through the promulgation of regulations or otherwise) that all data collected pursuant to this part is protected—

''(1) under the same privacy protections as the Secretary applies to other health data under the regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191; 110 Stat. 2033) relating to the privacy of individually identifiable health information and other protections; and

''(2) from all inappropriate internal use by any entity that collects, stores, or receives the data, including use of such data in determinations of eligibility (or continued eligibility) in health plans, and from other inappropriate uses, as defined by the Secretary.

**"SEC. 929A. AUTHORIZATION OF APPROPRIATIONS.**

''There is authorized to be appropriated to carry out this section, $5,000,000 for each of fiscal years 2005 through 2007, and such sums as may be necessary for each of fiscal years 2008 through 2015.''.

**SEC. 202. OFFICE OF NATIONAL HEALTHCARE DISPARITIES AND QUALITY.**

Part A of title IX of the Public Health Service Act (42 U.S.C. 299 et seq.) is amended by adding at the end the following:

**"SEC. 904. OFFICE OF NATIONAL HEALTHCARE DISPARITIES AND QUALITY.**

''(a) IN GENERAL.—There is established within the Agency an Office of National Healthcare Disparities and Quality (referred to in this section as the 'Office'). Such Office shall administer the development and submission of the annual National Healthcare Disparities Report (under section 903(a)(6)) and the National Healthcare Quality Report (under section 913(b)(2)) and carry out any other activities determined appropriate by the Secretary.

''(b) NATIONAL HEALTHCARE DISPARITIES AND QUALITY REPORTS.—

''(1) REPORTING REQUIREMENTS.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Office, in consultation with the Advisory Committee under section 925, the Office of Minority Health, and the Office for Civil Rights of the Department of Health and Human Services, shall submit to the Secretary, the appropriate committees of Congress, and the public—

''(A) a report on the disparities in healthcare which shall include data using the quality measures developed by the Agency under part C; and

''(B) a report on general healthcare quality.

''(2) LIMITATIONS.—The reports under paragraph (1) shall not identify individual hospitals or healthcare providers but shall include regional and State level data. To the maximum extent practicable, such reports shall—

''(A) indicate variations in healthcare quality between States and regions; and

''(B) to the maximum extent practicable, include data reported by race, ethnicity, primary language, and highest educational level attained in accordance with section 249.

''(3) AVAILABILITY.—The Office shall make such reports available to States, tribal organizations, and territorial governments upon request.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection, $10,000,000 for each of fiscal years 2005 through 2007, and such sums as may be necessary for each of fiscal years 2008 through 2015.

''(c) ACTIVITIES RELATING TO BEST PRACTICES.—

''(1) REPORT.—The Office of National Healthcare Disparities and Quality shall annually publish a report that describes the specific activities undertaken by Faircare Level I institutions, as designated under section 330P of this Act or section 1898(b) of the Social Security Act, that have resulted in a decrease in healthcare disparities or improved quality. Such reports shall include recommendations for carrying out such activities at other healthcare institutions.

''(2) CONFERENCE.—In conjunction with the publication of each report under paragraph (1), Office of National Healthcare Disparities and Quality shall hold an annual conference at which personnel from the Faircare institutions described in paragraph (1) can interact, advise, and consult with other healthcare institutions.

''(3) TECHNICAL ASSISTANCE.—The Office of National Healthcare Disparities and Quality shall offer technical assistance to healthcare institutions in reducing healthcare disparities, including through the dissemination of information through the Office Internet website, the development of an electronic mail list of best practices, the maintenance of a database and clearinghouse of best practices, and through other activities determined appropriate by the Office.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection, $5,000,000 for each of fiscal years 2005 to 2007, and such sums as may be necessary for each of fiscal years 2008 through 2015.''.

## TITLE III—FAIRCARE HOSPITAL PROGRAM

**SEC. 301. FAIRCARE HOSPITAL PROGRAM.**

(a) PURPOSES.—The purposes of this section are to—

(1) require the Administrator of the Center for Medicare & Medicaid Services to—

(A) determine which hospitals have successfully reduced healthcare disparities between health disparity populations and other patients and improved healthcare quality based on the Hospital Quality Initiative measures established by the Agency for Healthcare Research and Quality under part C of title IX of the Public Health Service Act, as added by title II;

(B) verify the accuracy of the data submitted by such hospitals for purposes of being designated as a Faircare Hospital; and

(C) designate such hospitals as Faircare hospitals; and

(2) provide such hospitals with increased payments under the medicare program.

(b) PROGRAM.—Title XVIII of the Social Security Act, as amended by section 1016 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2447), is amended by adding at the end the following new section:

''PERFORMANCE INCENTIVE PAYMENT PROGRAM

''SEC. 1898. (a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish a program under which financial incentive payments are made in accordance with subsection (c) to subsection (d) hospitals (as defined in paragraph (2)) that have been designated under subsection (b).

''(2) SUBSECTION (d) HOSPITAL.—In this section, the term 'subsection (d) hospital' has the meaning given that term in section 1886(d)(1)(B).

''(b) DESIGNATION OF FAIRCARE HOSPITALS.—

''(1) IN GENERAL.—For each of fiscal years 2006 through 2014, the Secretary shall designate subsection (d) hospitals as follows:

''(A) LEVEL III FAIRCARE HOSPITAL.—The Secretary shall designate a subsection (d) hospital as a Level III Faircare hospital if the following requirements are met:

''(i) The subsection (d) hospital submitted data described in section 249 of the Public Health Service Act and part C of title IX of such Act to the Secretary in such form and manner and at such time specified by the Secretary under such section and part and all such data submitted relating to patient quality includes data on the race, ethnicity, highest education level attained, and primary language of such patients.

''(ii) The Secretary determines that the subsection (d) hospital has improved the rate of delivery of high quality care during the 24-month period preceding such determination. A hospital shall be determined to meet the requirement in the preceding sentence if the Secretary determines that the hospital has increased the frequency of appropriate care for the majority of the applicable measures during such 24-month period by at least 5 percentage points within each such measure.

''(B) LEVEL II FAIRCARE HOSPITAL.—The Secretary shall designate a subsection (d) hospital as a Level II Faircare hospital if the following requirements are met:

''(i) The requirements described in clauses (i) and (ii) of subparagraph (A) are met.

''(ii) The Secretary determines that the subsection (d) hospital, during the 24-month period preceding such determination, has made a significant reduction in the disparities in the treatment of health disparity populations relative to other patients for—

''(I) the majority of the applicable measures; or

''(II) all of the 25 percent highest ranked applicable measures, as ranked for their importance for healthcare equity by the Agency for Healthcare Research and Quality under section 925 of the Public Health Service Act.

''(C) LEVEL I FAIRCARE HOSPITAL.—The Secretary shall designate a subsection (d) hospital as a Level I Faircare hospital if the following requirements are met:

''(i) The requirement described subparagraph (A)(i) is met.

''(ii) Either—

''(I) the requirement described in subparagraph (A)(ii) is met; or

''(II) the Secretary determines that the frequency of appropriate care provided by the subsection (d) hospital for each applicable measure is at least 10 percentage points greater than the national average for the frequency of appropriate care for each applicable measure.

''(iii) The Secretary determines that the subsection (d) hospital, during the 24-month period preceding such determination, has had no significant disparity in the treatment of health disparity populations relative to other patients for all of the 75 percent highest ranked applicable measures, as ranked for their importance for healthcare equity by the Agency for Healthcare Research and Quality under section 925 of the Public Health Service Act.

''(2) APPLICABLE MEASURES DEFINED.—For purposes of this subsection, the term 'applicable measures' means the Hospital Quality Initiative measures established by the Agency for Healthcare Research and Quality under part C of title IX of the Public Health Service Act.

''(3) HEALTH DISPARITY POPULATION DEFINED.—For purposes of this subsection, the term 'health disparity population' has the meaning given that term in section 485E(d) of the Public Health Service Act.

''(b) FINANCIAL INCENTIVE PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2) and subsection (d), for purposes of subclauses (XIX) and (XX) of section 1886(b)(3)(B)(i) for each of fiscal years 2007 through 2015, in the case of a subsection (d) hospital that has been designated under subsection (b) for a fiscal year, the Secretary shall increase the applicable percentage increase for the subsequent fiscal year for such hospital—

''(A) in the case of a Level I Faircare hospital, by 4 percentage points (or 8 percentage points in the case of such a hospital who is also described in subparagraph (B) of section 1923(b)(1)(B));

''(B) in the case of a Level II Faircare hospital, by 2 percentage points (or 4 percentage points in the case of such a hospital who is also described in subparagraph (B) of section 1923(b)(1)(B));; and

''(C) in the case of a Level III Faircare hospital, by 1 percentage point (or 2 percentage points in the case of such a hospital who is also described in subparagraph (B) of section 1923(b)(1)(B)).

''(2) REDUCTION IN FINANCIAL INCENTIVE PAYMENTS IF INSUFFICIENT FUNDING AVAILABLE.—If the Secretary estimates that the total amount of increased payments under paragraph (1) for a fiscal year will exceed the funding available under subsection (d) for such increased payments for the fiscal year, the Secretary shall proportionately reduce the percentage points described in subparagraphs (A), (B), and (C) of paragraph (1) in order to eliminate such excess.

''(3) INCREASED PAYMENT NOT BUILT INTO THE BASE.—Any increased payment under paragraph (1) shall only apply to the fiscal year involved and the Secretary shall not

take into account any such increased payment in computing the applicable percentage increase under clause (i)(XIX) for a subsequent fiscal year.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for making payments under subsection (b) such sums as may be necessary for each of fiscal years 2007 through 2015.''.

**SEC. 302. TECHNICAL ASSISTANCE GRANTS.**

(a) IN GENERAL.—The Secretary of Health and Human Services shall provide technical assistance to eligible entities for the conduct of demonstration projects to improve the quality of healthcare and to reduce healthcare disparities.

(b) ELIGIBILITY.—To be eligible to receive technical assistance under subsection (a), an entity shall—

(1) be a hospital—

(A) that, by legal mandate or explicitly adopted mission, provides patients with access to services regardless of their ability to pay;

(B) that provides care or treatment for a substantial number of patients who are uninsured, are receiving assistance under a State program under title XIX of the Social Security Act, or are members of health disparity populations, as determined by the Secretary; and

(C)(i) with respect to which, not less than 50 percent of the entity's patient population is made up of racial and ethnic minorities; or

(ii) that serves a disproportionate percentage of local, minority racial and ethnic patients, or that has a patient population, at least 50 percent of which is limited English proficient; and

(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(c) TYPES OF ASSISTANCE.—The type of technical assistance that may be provided under this section shall be determined by the Centers for Medicare & Medicaid Services. Such assistance may include competitively awarded grants and other forms of assistance.

(d) USE OF ASSISTANCE.—Assistance provided under this section shall be used to improve healthcare quality or to reduce healthcare disparities.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2005 through 2015.

## TITLE IV—COMMUNITY HEALTH CENTERS.

**SEC. 401. AUTHORITY OF BUREAU OF PRIMARY HEALTH CARE TO DEVELOP NEW REPORTING STANDARDS.**

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Bureau of Primary Health Care within the Health Resources and Services Administration, shall have the authority to—

(1) incorporate the outpatient measures of the Agency for Healthcare Research and Quality as developed under part C of title IX of the Public Health Service Act (as added by title II) into a supplement to existing demographic or quality reporting instruments or other quality reporting instruments utilized by the Health Resources and Services Administration;

(2) verify the submission of data under this title (and the amendments made by this title); and

(3) award Faircare designations in accordance with section 339P of the Public Health Service Act (as added by section 402).

(b) DISTRIBUTION.—Not later than 1 year after the date of enactment of this Act, the standards described in subsection (a) shall be designed and distributed to health centers under section 339P of the Public Health Service Act (as added by section 402).

**SEC. 402. FAIRCARE DESIGNATION FOR HEALTH CENTERS.**

Part P of title III of the Public Health Service Act (42 U.S.C. 280g et seq.) is amended by adding at the end the following:

**"SEC. 399P. FAIRCARE DESIGNATION FOR HEALTH CENTERS.**

''(a) DESIGNATION OF FAIRCARE HEALTH CENTERS.—

''(1) IN GENERAL.—For each of fiscal years 2006 through 2014, the Secretary shall designate health centers that receive Federal assistance as follows:

''(A) LEVEL III FAIRCARE HEALTH CENTER.—The Secretary shall designate a health center as a Level III Faircare health center if the following requirements are met:

''(i) The health center submitted data described in section 249 and part C of title IX to the Secretary in such form and manner and at such time specified by the Secretary under such section and part and all such data submitted relating to patient quality includes data on the race, ethnicity, highest education level attained, and primary language of such patients.

''(ii) The Secretary determines that the health center has improved the rate of delivery of high quality care during the 24-month period preceding such determination. A health center shall be determined to meet the requirement in the preceding sentence if the Secretary determines that the health center has increased the frequency of appropriate care for the majority of the applicable measures during such 24-month period by at least 5 percentage points within each such measure.

''(B) LEVEL II FAIRCARE HEALTH CENTER.—The Secretary shall designate a health center as a Level II Faircare health center if the following requirements are met:

''(i) The requirements described in clauses (i) and (ii) of subparagraph (A) are met.

''(ii) The Secretary determines that the health center, during the 24-month period preceding such determination, has made a significant reduction in the disparities in the treatment of health disparity populations relative to other patients for—

''(I) the majority of the applicable measures; or

''(II) all of the 25 percent highest ranked applicable measures, as ranked for their importance for healthcare equity by the Agency for Healthcare Research and Quality under section 925.

''(C) LEVEL I FAIRCARE HEALTH CENTER.—The Secretary shall designate a health center as a Level I Faircare health center if the following requirements are met:

''(i) The requirement described subparagraph (A)(i) is met.

''(ii) Either—

''(I) the requirement described in subparagraph (A)(ii) is met; or

''(II) the Secretary determines that the frequency of appropriate care provided by the health center for each applicable measure is at least 10 percentage points greater than the national average for the frequency of appropriate care for each applicable measure.

''(iii) The Secretary determines that the health center, during the 24-month period preceding such determination, has had no significant disparity in the treatment of health disparity populations relative to other patients for all of the 75 percent highest ranked applicable measures, as ranked for their importance for healthcare equity by the Agency for Healthcare Research and Quality under section 925.

''(2) APPLICABLE MEASURES DEFINED.—For purposes of this subsection, the term 'applicable measures' means the measures determined applicable under section 401(a) of the Faircare Act.

''(3) HEALTH DISPARITY POPULATION DEFINED.—For purposes of this subsection, the term 'health disparity population' has the meaning given that term in section 485E(d).

''(b) ELIGIBILITY FOR BONUSES.—A health center that is designated as a Faircare health center under subsection (a) shall be eligible for the following annual bonuses in the fiscal year following the year in which the health center is designated as a Faircare health center under this section, with respect to assistance received under Federal health care programs:

''(1) With respect to a health center that is designated as a Level III Faircare health center, the Secretary shall determine the amount of such bonus which shall not be less than $200,000.

''(2) With respect to a health center that is designated as a Level II Faircare health center, the Secretary shall determine the amount of such bonus which shall not be less than $300,000.

''(3) With respect to a health center that is designated as a Level I Faircare health center, the Secretary shall determine the amount of such bonus which shall not be less than $500,000.

''(c) REDUCTION IN FINANCIAL INCENTIVE PAYMENTS IF INSUFFICIENT FUNDING AVAILABLE.—If the Secretary estimates that the total amount of bonuses under subsection (b) for a fiscal year will exceed the funding available under subsection (e) for such bonuses for the fiscal year, the Secretary shall proportionately reduce the amount of the bonus payments described in paragraphs (1), (2), and (3) of subsection (b) in order to eliminate such excess.

''(d) DEFINITION.—For purposes of this section, the term 'health center' means a Federally qualified health center as defined in section 1861(aa)(4) of the Social Security Act.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2007 through 2015.''.

**SEC. 403. GRANTS FOR TECHNICAL ASSISTANCE.**

Part P of title III of the Public Health Service Act (42 U.S.C. 280g et seq.), as amended by section 402, is further amended by adding at the end the following:

**"SEC. 399Q. GRANTS FOR TECHNICAL ASSISTANCE IN IMPROVING QUALITY.**

''(a) IN GENERAL.—If a health center reporting data described in section 399P(a)(1)(A) for 3 or more years has demonstrated no improvement or a decrease in healthcare quality on at least 30 percent of all quality measures as designated under section 401(a) of the Faircare Act, such health center shall be given priority to receive technical assistance from the Bureau of Primary Health Care within the Health Resources and Services Administration.

''(b) TYPE OF ASSISTANCE.—The type of technical assistance that may be provided under subsection (a) shall be determined by the Bureau of Primary Health Care and may include competitively awarded grants and other forms of assistance.

''(c) USE OF ASSISTANCE.—Assistance provided under this section shall be used by the health center to improve healthcare quality or reduce healthcare disparities.

''(d) DEFINITION.—For purposes of this section, the term 'health center' means a Federally qualified health center as defined in section 1861(aa)(4) of the Social Security Act.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection, such sums as may be necessary for each of fiscal years 2007 through 2015.''.

**SEC. 404. HEALTH DISPARITY COLLABORATIVES.**

(a) IN GENERAL.—The Bureau of Primary Health Care within the Health Resources and Services Administration shall—

(1) provide technical assistance and funding to the Health Disparity Collaboratives; and

(2) expand the provision of technical assistance and funding, at the discretion of the Bureau, to priority areas designated by the Agency for Healthcare Research and Quality in consultation with the Advisory Committee established under section 925 of the Public Health Service Act.

(b) FUNDING.—The Bureau of Primary Health Care within the Health Resources and Services Administration shall continue to fund collaboratives with a goal of adding at least 50 new health centers each year.

(c) DEFINITION.—For purposes of this section, the term 'health center' means a Federally qualified health center as defined in section 1861(aa)(4) of the Social Security Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2005 through 2015.

## TITLE V—REACH 2010

**SEC. 501. EXPANSION OF REACH 2010**

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control and Prevention, shall award grants and carry out other activities to expand the Racial and Ethnic Approaches to Community Health Program (REACH 2010) program to support coalitions in all 50 States and territories.

(b) ELIGIBILITY.—To be eligible to receive a grant under this section an entity shall—

(1) be a coalition that is comprised of , at a minimum, a community-based organization and at least 3 other organizations, one of which is either a State or local health department or a university or research organization; and

(2) prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(c) USE OF GRANTS.—Amounts provided under a grant under this section shall be used to support community coalitions in designing, implementing, and evaluating community-driven strategies to eliminate health disparities, with an emphasis on African Americans, American Indians, Alaska Natives, Asian Americans, Hispanic Americans, and Pacific Islanders.

(d) PRIORITY AREAS.—In carrying out the Racial and Ethnic Approaches to Community Health Program (REACH 2010) program, the Director of the Centers for Disease Control and Prevention shall include the following priority areas:

(1) Cardiovascular disease.

(2) Immunizations.

(3) Breast and cervical cancer screening and management.

(4) Diabetes.

(5) HIV/AIDS.

(6) Infant mortality.

(7) Asthma.

(8) Obesity.

(9) At the discretion of the Director of the Centers for Disease Control and Prevention, any additional priority areas determined appropriate by the Agency for Healthcare Research and Quality in consultation with the Advisory Committee established under section 925 of the Public Health Service Act.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section and the Racial and Ethnic Approaches to Community Health Program (REACH 2010) program, $200,000,000 for each of fiscal years 2005 to 2007, and such sums as may be necessary for each of fiscal years 2008 through 2015.

## TITLE VI—MALPRACTICE INSURANCE RELIEF

**SEC. 601. REFUNDABLE TAX CREDIT FOR THE COST OF MALPRACTICE INSURANCE FOR CERTAIN PROVIDERS.**

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

**"SEC. 36. CERTAIN MALPRACTICE INSURANCE COSTS.**

''(a) IN GENERAL.—In the case of an eligible health care provider, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of qualified malpractice insurance expenditures paid or incurred during the taxable year.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The applicable percentage shall be—

''(A) 10 percent for any taxable year for which the person claiming the credit is an eligible health care provider, plus

''(B) 5 percent for each consecutive prior taxable year ending after the date of enactment of this section for which such person was an eligible health care provider.

''(2) LIMITATION.—The applicable percentage shall not exceed 25 percent.

''(c) ELIGIBLE HEALTH CARE PROVIDER.—For purposes of this section, the term 'eligible health care provider' means—

''(1) a public or private nonprofit hospital which is—

''(A) located in a medically underserved area (as defined in section 1302(7) of the Public Health Service Act) or in a health professional shortage area (as designated under section 332 of the Public Health Service Act), and

''(B) designated as a Level I Faircare Hospital under section 339P of the Public Health Service Act or section 1898 of the Social Security Act for the year in which such hospital's taxable year ends, and

''(2) a physician for whom not less than 66 percent of the practice for the taxable year is at a facility described in paragraph (1).

''(d) QUALIFIED MEDICAL MALPRACTICE INSURANCE EXPENDITURE.—The term 'qualified medical malpractice insurance expenditure' means so much of any professional insurance premium, surcharge, payment or other cost or expense required as a condition of State licensure which is incurred by an eligible health care provider in a taxable year for the sole purpose of providing or furnishing general medical malpractice liability insurance for such eligible health care provider.''.

(b) DENIAL OF DOUBLE BENEFIT.—Section 280C of the Internal Revenue Code of 1986 (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

''(d) CREDIT FOR MEDICAL MALPRACTICE LIABILITY INSURANCE PREMIUMS.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified medical malpractice insurance expenditures otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 36.

''(2) CONTROLLED GROUPS.—In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 41(f)(5)) or a trade or business which is treated as being under common control with other trades or business (within the meaning of section 41(f)(1)(B)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subparagraphs (A) and (B) of section 41(f)(1).''.

(c) CONFORMING AMENDMENT.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ''or from section 36 of such Code''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item related to section 36 and inserting the following new items:

''Sec. 36. Certain malpractice insurance costs.

''Sec. 37. Overpayments of tax.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures incurred after December 31, 2005.

(f) AVAILABILITY OF CREDIT FOR TAX EXEMPT ORGANIZATIONS.—The Secretary of the Treasury shall administer the credit allowable under section 36 of the Internal Revenue Code of 1986 (as added by this section) in such a manner so as to minimize to the largest extent possible the administrative burden on tax exempt organizations claiming the credit.

**SEC. 602. GRANTS TO NON-PROFIT HOSPITALS.**

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Administrator of the Health Resources and Services Administration, shall award grants to eligible entities to assist such entities in defraying qualified medical malpractice insurance expenditures.

(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), an entity shall—

(1) be a Faircare Level I non-profit hospital (as determined under section 1898(b) of the Social Security Act) in the preceding fiscal year;

(2) not be eligible to claim the tax credit under section 36 of the Internal Revenue Code of 1986;

(3) prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(c) AMOUNT OF GRANT.—The amount of a grant awarded to an eligible entity under this section shall be—

(1) with respect to the first year of the grant, an amount equal to 10 percent of the qualified medical malpractice insurance expenditures of the entity for the year;

(2) with respect to the second year of the grant, an amount equal to 15 percent of the qualified medical malpractice insurance expenditures of the entity for the year;

(3) with respect to the third year of the grant, an amount equal to 20 percent of the qualified medical malpractice insurance expenditures of the entity for the year; and

(4) with respect to the fourth and subsequent years of the grant, an amount equal to 25 percent of the qualified medical malpractice insurance expenditures of the entity for the year.

(d) DEFINITION.—In this section, the term ''qualified medical malpractice insurance expenditure'' has the meaning given such term in section 36(d) of the Internal Revenue Code of 1986.

**SEC. 603. GRANTS FOR RESEARCH INTO QUALITY OF CARE AND MEDICAL ERRORS.**

(a) IN GENERAL.—The Secretary of Health and Human Services shall award grants to eligible entities to study the relationship between institutions that are designated as Faircare hospitals under section 1898(b) of the Social Security Act and medical errors or the rate of claims of malpractice.

(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), an entity shall

prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

**SEC. 604. AUTHORIZATION OF APPROPRIATIONS.**

There is authorized to be appropriated to carry out this title, such sums as may be necessary for each of fiscal years 2005 through 2015.

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STATEMENTS OF SUPPORT FOR THE LIEBERMAN FAIRCARE BILL

THE NATIONAL HEALTH LAW PROGRAM

''The National Health Law Program (NHeLP) commends the announcement of The Faircare Act. Recognizing that comprehensive and accurate data is critical to identifying and then eliminating health disparities, the Faircare Act would require race, ethnicity and primary language data collection throughout federally operated or funded health programs and provide crucial technical and financial assistance to healthcare providers to meet the challenges of eliminating health disparities.''

JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS

''The legislation comprehensively reflects current national research and programmatic initiatives such as those of the Joint Commission, private foundations, professional organizations, academic institutions, and state and national government agencies. For example, the Joint Commission has two externally funded research projects that are looking at issues related to culture and language. One, funded by the Commonwealth Fund, is looking at the impact of limited English proficiency on adverse medical events. Another, funded by The California Endowment, is looking at how hospitals across the nation are responding to issues of culture and language. In addition to research activities, the Joint Commission is engaging in field review of a proposed new standard to require the collection of information on patients' race, ethnicity, and primary language, is supporting the National Conference of Quality Health Care for Culturally Diverse Populations, and staff from the Joint Commission serve on a number of national advisory panels that are addressing issues of health care disparities, cultural and linguistic issues, and issues related to health literacy.''

''Financial incentives, as proposed in this legislation, are timely and appropriate. Based on focus group feedback, and input from Joint Commission advisory groups, the lack of incentive, competing priorities, and limited resources for providing culturally and linguistically appropriate services is the main barrier to implementation, secondary, only to the lack of awareness of the issue.''

THE PROGRESSIVE POLICY INSTITUTE

''Sen. Lieberman's FairCare Legislation would simultaneously make health care fairer and less wasteful by tackling one of the core problems with health care today: payment by procedure instead of performance. Too often, patients, especially minorities, do not receive basic high care quality like aspirin or beta-blockers for heart attack victims because providers can't charge for it. It's time for the federal government to make pay-for-performance a core feature of health care policy.''

PHYSICIANS FOR HUMAN RIGHTS

''Senator Lieberman's Faircare bill is an important step toward eliminating racial and ethnic disparities in healthcare by both assuring quality of care and reducing care inequities. Quality care means making the same healthcare available to all Americans regardless of race or ethnicity.''

THE OUT OF MANY, ONE COALITION

''We applaud Senator Lieberman's leadership in tying the elimination of health disparities to the improvement of healthcare quality in the Nation.''

NATIONAL CONFERENCE FOR COMMUNITY AND JUSTICE

''By establishing quantifiable standards, and providing incentives to meet those standards, Faircare: A Bill to Decrease Disparities in Healthcare Through Improving Healthcare Quality for All can help raise the quality and consistency of healthcare for all of us, not just some of us. The issue of disparities in healthcare is a national crisis, and the National Conference for Community and Justice (NCCJ) remains committed to working with decision-makers and community leaders to address this crisis on a national and regional level. It is a critical part of America's unfinished business, and through education and advocacy, we will bridge the divides of quality healthcare so that all people receive the information and treatment needed to lead healthy lives.''

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By Mr. GREGG (for himself, Mr. HARKIN, Mr. ROBERTS, Mr. KENNEDY, Mr. REED, Mrs. MURRAY, Mr. JEFFORDS, Mr. ENZI, and Mr. DODD):

S. 2595. A bill to establish State grant programs related to assistive technology and protection and advocacy services, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. GREGG. Mr. President, today, I join my esteemed colleague, the Senator from Iowa, Senator HARKIN, and other members, in introducing the Improving Access to Assistive Technology for Individuals with Disabilities Act of 2004.

For the past 6 months we have been working in a bipartisan fashion on the reauthorization of the Assistive Technology Act. Our proposed legislation is designed to remove barriers that people with disabilities encounter when attempting to access and purchase assistive technology. Working with the disability, business, and research and development communities, the Departments of Education, Labor, and Commerce, and the Small Business Administration, we have completely rewritten the Act to accomplish this goal. More specifically, our efforts focused on three fundamental changes: improving access by reducing bureaucracy; fostering private/public sector relationships; and stabilizing the State projects funding stream

In a March 1993 report to the President and the Congress on the ''Study on the Financing of Assistive Technology Devices and Services for Individuals with Disabilities,'' the National Council on Disability heard repeatedly from witnesses at public forums about the abandonment of equipment by persons with disabilities who had no opportunity prior to purchase to try it out or see it demonstrated.

Current law authorizes State projects to conduct system change activities and provide information and referral services to people with disabilities and their families. Although these are necessary and important duties, they do not immediately impact and help a person with a disability obtain assistive technology that he or she may need today.

This bill modifies the current list of authorized activities by expanding the authority of the State assistive technology act programs to increase the ability of persons with disabilities to experience or obtain assistive technology. Our bill, written by members of the Committee on Health Education, Labor and Pensions, provides the State projects with a tangible set of mandatory activities, yet at the same time provides State flexibility to address emerging State needs.

Therefore, the new functions require States to provide citizens with access to device loan, reutilization, and financing programs, and equipment demonstration centers directly by developing such programs, or partnering with another entity in the State currently conducting these programs. The purpose of these programs is to provide individuals with disabilities the opportunity to receive proper assessments and evaluations for assistive technology, test and obtain information about various devices, borrow or rent devices and equipment before it is purchased, and be able to access low interest loans to purchase needed technology. Each of these new requirements will help make the most of limited public resources in an environment that emphasizes consumer choice in and control of assistive technology services and funding. Further, they demonstrate the benefits and costs of assistive technology.

Additionally, our bill intensifies outreach efforts to employers, providers of employment and adult services, school systems, and health care providers that have direct contact with persons with disabilities to inform them about the beneficial aspects of assistive technology. Finally, we authorize States to create an advisory board to provide enhanced flexibility, guide the actions of the State programs and establish State priorities to meet the specific assistive technology needs of State residents.

The Committee on Health Education, Labor and Pensions learned through several public forums held this and last year that employers are frequently confused by the vast array of assistive technology devices available to employees, the costs associated with purchasing assistive technology, and how or where to purchase assistive technology to meet the needs of potential employees or employees acquiring disabilities due to age, accidents and other causes. However, various studies paint a different picture. The Office of Disability Employment Policy of the Department of Labor funds the Job Accommodation Network (JAN), a free consulting service designed to increase the employability of people with disabilities. According to an ongoing JAN evaluation, 71 percent of the businesses

that used JAN for assistance on providing specific accommodation information for employees with disabilities found that the accommodation that the employee needed cost between $0.00 and $500.00.

This sent up a red flag, indicating that there is a disconnect or gap between the knowledge base as it currently exists and how that information reaches not only employers, but schools, school districts, hospitals and other entities. I imagine at schools and school officials in Berlin, NH, Clearmont, WY, Tribune, KS, or any other rural community would have a difficult time determining the assistive technology needs of a student with a disability without some type of assistance.

I am also sure that the same is true for small businesses. The Disability Business and Technical Assistance Centers (DBTACs), funded by the National Institute on Disability Rehabilitation and Research (NIDRR) Office of Special Education and Rehabilitative Services (OSERS) at the Department of Education, are regional Centers that provide training, information, and technical assistance on the Americans with Disabilities Act (ADA) to businesses, consumers, schools, and State and local governments. The DBTACs do wonderful work; however, a small business owner usually does not know where to go or where to send an employee if he or she needs an assessment or knowledge of various assistive devices so the small business can provide the necessary and appropriate assistive device.

According to statistics from the Small Business Administration office of Advocacy, small businesses pay 44.3 percent of the total private payroll in the United States, and have generated anywhere from 60 to 80 percent of net new jobs annually over the past decade. As a current high school student with disabilities graduates and looks for a job, there is a good chance that this young person will work for a small business. That being said, if the student has accommodation or technology needs, will the business know where to go for assistance?

There are quite a few State Assistive Technology Act projects that are currently conducting outreach and public awareness activities, providing technical assistance to the business community, but it is not occurring unilaterally across the Nation. While current law authorizes such activities it does not specifically state that public awareness activities should be focused on the business community.

This bill aggressively engages businesses, especially small businesses, by providing them with greater access to technical assistance so that they can accommodate employees with disabilities. Additionally, in an effort to improve access to assistive technology and to lower costs, the bill enhances competition and forges incentives for researchers and developers.

The bill accomplishes these goals by improving the utilization of federal dollars and collaborative efforts between the agency administering the Assistive Technology Act projects and other Federal departments and initiatives, such as the Small Business Administration's (SBA) and Department of Labor's (DOL) interagency initiative to improve employment opportunities for people with disabilities in small businesses.

This bill also strengthens relationships between federally funded programs, such as the Assistive Technology Act projects, with private sector employers and researchers, by directing the Office of Special Education and Rehabilitation Services at the Department of Education to make grants available to for-profit and non-profit entities to enhance public/private partnerships. These grant opportunities include creating grants to support the development of public service announcements, which can be modified for regional use, to reach out to small businesses, the aging population, and people with disabilities about the benefits of assistive technology. Grants can also fund a technical assistance provider to assist employers in addressing the needs of aging workers that are acquiring disabilities and may need assistive technology to maintain their current level of productivity.

When Congress passed the original Assistive Technology Act in 1988, Congressional intent was to provide States with time-limited Federal seed money to assist them in developing and implementing their own assistive technology programs. This Federal-State partnership has provided an important service to individuals with disabilities by strengthening the capacity of each State to assist individuals with disabilities of all ages with their assistive technology needs. However, thousands of people with disabilities could lose access to this infrastructure if the Federal contribution comes to an end. Additionally, the bill drafters have recognized that for-profit and non-profit entities have not put the necessary time and energy into fostering relationships with the State programs, fearing that the Federal contribution would end, and the State programs would no longer exist.

Three years ago, with the introduction of the President's New Freedom Initiative in the winter of 2001, the Administration launched new comprehensive programs to tell America that individuals with disabilities are valued citizens. Traditionally, individuals with disabilities have been outcasts of society—seen as burdensome and institutionalized—and have not been permitted to contribute to society or expected to pursue the American Dream that so many of us take for granted.

This Administration recognizes and believes in the full participation of people with disabilities in all areas of society. This belief has been put into action by increasing access to assistive and universally designed technologies, expanding educational and employment opportunities, promoting increased access into daily community life, and helping members of this misunderstood and underutilized group of citizens achieve and succeed. Compassionate Conservatism is what I believe our President calls it.

As the New Freedom Initiative states, ''Assistive and universally designed technologies can be a powerful tool for millions of Americans with disabilities, dramatically improving one's quality of life and ability to engage in productive work. New technologies are opening opportunities for even those with the most severe disabilities.'' This new-found sense of purpose and urgency, occurring shortly after the Olmstead decision, has re-ignited the interest and support for a Federal-State partnership to provide comprehensive, statewide assistive technology services to individuals with disabilities.

Consequently, Congress must stabilize funding for the State programs by supporting State efforts to improve the provision of assistive technology for individuals with disabilities. Congress must also ensure that the Federal commitment to independent living, and the full participation of individuals with disabilities in society, guaranteed through the President's ''New Freedom Initiative,'' is upheld. In this instance, that translates into providing States with the necessary funding to maintain the comprehensive Statewide programs of technology-related assistance for individuals with disabilities of all ages. However, the drafters of this legislation also expect States to take ownership of and expand upon the comprehensive Statewide programs of technology-related assistance.

Therefore, this bill removes the sunset provision in the 1998 Act and creates a typical reauthorization cycle, while slightly increasing the State minimum allotment to offset some of the costs for the additional requirements.

I would like to thank Senator HARKIN, and his staff, particularly Mary Giliberti, for their hard work and dedication in putting together a bi-partisan bill that will assist thousands of individuals with disabilities access services and devices that they so desperately need. I would also like to thank Senators ROBERTS, DEWINE, WARNER, ENSIGN, KENNEDY, and REED, and their staff members, Jennifer Swenson, Mary Beth Luna, John (JK) Robinson, Lindsay Lovlien, Kent Mitchell, Connie Garner, Elyse Wasch, and Erica Swanson as they were on board and helped make this a bipartisan process from the beginning.

Senator HARKIN and I were determined to make this a bipartisan process from the beginning. We have crafted a bill that we are confident will be overwhelmingly supported by both Republicans and Democrats—and most importantly by the disability community, providers of disability related

services, States, employers and businesses, and the educational community.

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

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

S. 2595

*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 ''Improving Access to Assistive Technology for Individuals with Disabilities Act of 2004''.

**SEC. 2. FINDINGS AND PURPOSE.**

(a) FINDINGS.—Congress finds the following:

(1) Over 54,000,000 individuals in the United States have disabilities, with almost half experiencing severe disabilities that affect their ability to see, hear, communicate, reason, walk, or perform other basic life functions.

(2) Disability is a natural part of the human experience and in no way diminishes the right of individuals to—

(A) live independently;

(B) enjoy self-determination and make choices;

(C) benefit from an education;

(D) pursue meaningful careers; and

(E) enjoy full inclusion and integration in the economic, political, social, cultural, and educational mainstream of society in the United States.

(3) Too many individuals with disabilities are outside the economic and social mainstream of society in the United States. For example, individuals with disabilities are less likely than their non-disabled peers to graduate from high school, participate in postsecondary education, work, own a home, participate fully in their community, vote, or use the computer and the internet.

(4) As President Bush's New Freedom Initiative states, ''Assistive and universally designed technologies can be a powerful tool for millions of Americans with disabilities, dramatically improving one's quality of life and ability to engage in productive work. New technologies are opening opportunities for even those with the most severe disabilities. For example, some individuals with quadriplegia can now operate computers by the glance of an eye.''.

(5) According to the National Council on Disability, ''For Americans without disabilities, technology makes things easier. For Americans with disabilities, technology makes things possible.''.

(6) Substantial progress has been made in the development of assistive technology devices, universally designed products, and accessible information technology and telecommunications systems. Those devices, products, and systems can facilitate communication, ensure independent functioning, enable early childhood development, support educational achievement, provide and enhance employment options, and enable full participation in community living. Access to such devices, products, and systems can also reduce expenditures associated with early childhood intervention, education, rehabilitation and training, health care, employment, residential living, independent living, recreation opportunities, and other aspects of daily living.

(7) Over the last 15 years, the Federal Government has invested in the development of statewide comprehensive systems of assistive technology, which have proven effective in assisting individuals with disabilities in accessing assistive technology devices and assistive technology services. Federal dollars fund statewide infrastructures that support equipment demonstration programs, short-term device loan programs, financial loan programs, equipment exchange and recycling programs, training programs, advocacy services, and information and referral services.

(8) Despite the success of the programs and services described in paragraph (7), individuals with disabilities who need assistive technology and accessible information technology continue to have a great need to know what technology is available, to determine what technology is most appropriate, and to obtain and utilize that technology to ensure their maximum independence and participation in society.

(9) The 2000 decennial Census indicates that over 21,000,000 individuals in the United States, more than 8 percent of the United States population, have a disability that limits their basic physical abilities such as walking, climbing stairs, reaching, lifting, or carrying. Nearly 12 percent of working-age individuals in the United States, or 21,300,000 of those individuals, have a disability that affects their ability to work.

(10) The combination of significant recent changes in Federal policy (including changes to section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), accessibility provisions of the Help America Vote Act of 2002 (42 U.S.C. 15301 et seq.), Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities), and the amendments made by the No Child Left Behind Act of 2001) and the rapid and unending evolution of technology require a Federal investment in State assistive technology systems to ensure that individuals with disabilities reap the benefits of the technological revolution and participate fully in life in their communities.

(b) PURPOSES.—The purposes of this Act are—

(1) to enhance the ability of the Federal Government to provide States with financial assistance that supports statewide—

(A) activities to increase access to, and funding for, assistive technology devices and assistive technology services, including financing systems and financing programs;

(B) device demonstration, device loan, and device re-utilization programs;

(C) training and technical assistance in the provision or use of assistive technology devices and assistive technology services;

(D) information systems relating to the provision of assistive technology devices and assistive technology services; and

(E) improved interagency and public-private coordination that results in increased availability of assistive technology devices and assistive technology services; and

(2) to provide States with financial assistance to undertake activities that assist each State in maintaining and strengthening cross-disability, full-lifespan State assistive technology programs, consistent with the Federal commitment to full participation and independent living of individuals with disabilities.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) ACCESSIBLE INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS.—The term ''accessible information technology and telecommunications'' means information technology or electronic and information technology as defined by section 1194.4 of title 36, Code of Federal Regulations (or any corresponding similar regulation or ruling) that conforms to the applicable technical standards set forth in sections 1194.21 through 1194.26 of such title (or any corresponding similar regulation or ruling).

(2) ADULT SERVICE PROVIDER.—The term ''adult service provider'' means a public or private entity that provides services to, or is otherwise substantially involved with the major life functions of, individuals with disabilities. Such term includes—

(A) entities and organizations providing residential, supportive, employment services, or employment-related services to individuals with disabilities;

(B) centers for independent living, such as the centers described in part C of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796f et seq.);

(C) employment support agencies connected to adult vocational rehabilitation, including one-stop partners, as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801); and

(D) other organizations or venders licensed or registered by the designated State agency, as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705).

(3) AMERICAN INDIAN CONSORTIUM.—The term ''American Indian consortium'' means a consortium established under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).

(4) ASSISTIVE TECHNOLOGY.—The term ''assistive technology'' means technology designed to be utilized in an assistive technology device or assistive technology service.

(5) ASSISTIVE TECHNOLOGY DEVICE.—The term ''assistive technology device'' means any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

(6) ASSISTIVE TECHNOLOGY SERVICE.—The term ''assistive technology service'' means any service that directly assists an individual with a disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

(A) the evaluation of the assistive technology needs of an individual with a disability, including a functional evaluation of the impact of the provision of appropriate assistive technology and appropriate services to the individual in the customary environment of the individual;

(B) a service consisting of purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by individuals with disabilities;

(C) a service consisting of selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, replacing, or donating assistive technology devices;

(D) coordination and use of necessary therapies, interventions, or services with assistive technology devices, such as therapies, interventions, or services associated with education and rehabilitation plans and programs;

(E) training or technical assistance for an individual with a disability or, where appropriate, the family members, guardians, advocates, or authorized representatives of such an individual; and

(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services and entities that manufacture or sell assistive technology devices), employers, providers of employment and training services, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with disabilities.

(7) CAPACITY BUILDING AND ADVOCACY ACTIVITIES.—The term ''capacity building and advocacy activities'' means efforts that—

(A) result in laws, regulations, policies, practices, procedures, or organizational structures that promote consumer-responsive programs or entities; and

(B) facilitate and increase access to, provision of, and funding for, assistive technology devices and assistive technology services,

in order to empower individuals with disabilities to achieve greater independence, productivity, and integration and inclusion within the community and the workforce.

(8) COMPREHENSIVE STATEWIDE PROGRAM OF TECHNOLOGY-RELATED ASSISTANCE.—The term ''comprehensive statewide program of technology-related assistance'' means a consumer-responsive program of technology-related assistance for individuals with disabilities, implemented by a State, and equally available to all individuals with disabilities residing in the State, regardless of their type of disability, age, income level, or location of residence in the State, or the type of assistive technology device or assistive technology service required.

(9) CONSUMER-RESPONSIVE.—The term ''consumer-responsive''—

(A) with regard to policies, means that the policies are consistent with the principles of—

(i) respect for individual dignity, personal responsibility, self-determination, and pursuit of meaningful careers, based on informed choice, of individuals with disabilities;

(ii) respect for the privacy, rights, and equal access (including the use of accessible formats) of such individuals;

(iii) inclusion, integration, and full participation of such individuals in society;

(iv) support for the involvement in decisions of a family member, a guardian, an advocate, or an authorized representative, if an individual with a disability requests, desires, or needs such involvement; and

(v) support for individual and systems advocacy and community involvement; and

(B) with respect to an entity, program, or activity, means that the entity, program, or activity—

(i) is easily accessible to, and usable by, individuals with disabilities and, when appropriate, their family members, guardians, advocates, or authorized representatives;

(ii) responds to the needs of individuals with disabilities in a timely and appropriate manner; and

(iii) facilitates the full and meaningful participation of individuals with disabilities (including individuals from underrepresented populations and rural populations) and their family members, guardians, advocates, and authorized representatives, in—

(I) decisions relating to the provision of assistive technology devices and assistive technology services to such individuals; and

(II) decisions related to the maintenance, improvement, and evaluation of the comprehensive statewide program of technology-related assistance, including decisions that affect capacity building and advocacy activities.

(10) DISABILITY.—The term ''disability'' means a condition of an individual that is considered to be a disability or handicap for the purposes of any Federal law other than this Act or for the purposes of the law of the State in which the individual resides.

(11) INDIVIDUAL WITH A DISABILITY; INDIVIDUALS WITH DISABILITIES.—

(A) INDIVIDUAL WITH A DISABILITY.—The term ''individual with a disability'' means any individual of any age, race, or ethnicity—

(i) who has a disability; and

(ii) who is or would be enabled by an assistive technology device or an assistive technology service to minimize deterioration in functioning, to maintain a level of functioning, or to achieve a greater level of functioning in any major life activity.

(B) INDIVIDUALS WITH DISABILITIES.—The term ''individuals with disabilities'' means more than 1 individual with a disability.

(12) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given such term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), and includes a community college receiving funding under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.).

(13) PROTECTION AND ADVOCACY SERVICES.—The term ''protection and advocacy services'' means services that—

(A) are described in subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.), the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C. 10801 et seq.), or section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 794e); and

(B) assist individuals with disabilities with respect to assistive technology devices and assistive technology services.

(14) PROTECTION AND ADVOCACY SYSTEM.—The term ''protection and advocacy system'' means a protection and advocacy system established under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).

(15) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(16) STATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(B) OUTLYING AREAS.—In section 4(b):

(i) OUTLYING AREA.—The term ''outlying area'' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(ii) STATE.—The term ''State'' does not include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(17) STATE ASSISTIVE TECHNOLOGY PROGRAM.—The term ''State assistive technology program'', except as used in section 4(c)(2)(E), means a program authorized under section 4 or 6(a).

(18) TARGETED INDIVIDUALS AND ENTITIES.—The term ''targeted individuals and entities'' means—

(A) individuals with disabilities of all ages and their family members, guardians, advocates, and authorized representatives;

(B) underrepresented populations, including the aging workforce;

(C) individuals who work for public or private entities (including centers for independent living described in part C of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796f et seq.), insurers, or managed care providers) that have contact with individuals with disabilities;

(D) educators at all levels (including providers of early intervention services, elementary schools, secondary schools, community colleges, and vocational and other institutions of higher education) and related services personnel;

(E) technology experts (including web designers and procurement officials);

(F) health, allied health, and rehabilitation professionals and hospital employees (including discharge planners);

(G) employers, especially small business employers, and providers of employment and training services;

(H) entities that manufacture or sell assistive technology devices;

(I) policymakers and service providers;

(J) entities that carry out community programs designed to develop essential community services in rural and urban areas, including AgrAbility projects, Rural Business-Cooperative Service programs, Community Development Financial Institution Fund programs, and other rural and urban programs; and

(K) other appropriate individuals and entities, as determined for a State by the State advisory council.

(19) TECHNOLOGY-RELATED ASSISTANCE.—The term ''technology-related assistance'' means assistance provided through capacity building and advocacy activities that accomplish the purposes described in section 2(b)(2).

(20) UNDERREPRESENTED POPULATION.—The term ''underrepresented population'' means a population that is typically underrepresented in service provision, and includes populations such as persons who have low-incidence disabilities, persons who are minorities, poor persons, persons with limited English proficiency, older individuals, or persons from rural areas.

(21) UNIVERSAL DESIGN.—The term ''universal design'' means a concept or philosophy for designing and delivering products and services that are usable by people with the widest possible range of functional capabilities, which include products and services that are directly accessible (without requiring assistive technologies) and products and services that are interoperable with assistive technologies.

**SEC. 4. STATE GRANTS FOR ASSISTIVE TECHNOLOGY.**

(a) GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary shall award grants under subsection (b) to States to support activities that increase access to assistive technology and accessible information technology and telecommunications, for individuals with disabilities across the human lifespan and across the wide array of disabilities, on a statewide basis.

(2) PERIOD OF GRANT.—The Secretary shall provide assistance through such a grant to a State for not more than 5 years.

(b) AMOUNT OF FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—From funds appropriated under section 10(a) for a fiscal year and available to carry out this section, the Secretary shall award a grant to each eligible State and eligible outlying area based on the corresponding allotment determined under paragraph (2).

(2) ALLOTMENTS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), from the funds described in paragraph (1), the Secretary shall allot not less than $500,000 to each State and not less than $150,000 to each outlying area for each fiscal year.

(B) LOWER APPROPRIATION YEAR.—For a fiscal year for which the amount of the funds described in paragraph (1) is less than $29,000,000, from those funds, the Secretary—

(i) shall allot to each State or outlying area the amount the State or outlying area received for fiscal year 2004 to carry out section 101 of the Assistive Technology Act of 1998, as in effect on the day before the date of enactment of this Act; and

(ii) from any funds remaining after the Secretary makes the allotments described in clause (i), shall allot to each State an equal amount.

(C) HIGHER APPROPRIATION YEAR.—For a fiscal year for which the amount of the funds described in paragraph (1) is not less than $29,000,000, from those funds, the Secretary—

(i) from a portion of the funds equal to $29,000,000, shall make the allotments described in clauses (i) and (ii) of subparagraph (B);

(ii) from any funds remaining after the Secretary makes the allotments described in clause (i), shall allot to each outlying area an additional amount, so that each outlying area receives a total allotment of not less than $150,000 under this paragraph; and

(iii) from any funds remaining after the Secretary makes the allotments described in clauses (i) and (ii)—

(I) shall allot to each State an amount that bears the same relationship to 80 percent of the remainder as the population of the State bears to the population of all States; and

(II) from 20 percent of the remainder, shall allot to each State an equal amount.

(3) CARRYOVER.—Any amount paid to a State program for a fiscal year under this section shall remain available to such program for obligation until the end of the next fiscal year for the purposes for which such amount was originally provided, except that program income generated from such amount shall remain available to such program until expended.

(c) LEAD AGENCY, IMPLEMENTING ENTITY, AND ADVISORY COUNCIL.—

(1) LEAD AGENCY AND IMPLEMENTING ENTITY.—

(A) LEAD AGENCY.—The Governor shall designate a lead agency to control and administer the funds made available through the grant awarded to the State under this section.

(B) IMPLEMENTING ENTITY.—

(i) IN GENERAL.—The Governor shall designate an agency, office, or other entity to carry out State activities under this section (referred to in this section as the ''implementing entity''), if such implementing entity is different from the lead agency.

(ii) TYPE OF ENTITY.—In designating the implementing entity, the Governor may designate—

(I) a commission, council, or other official body appointed by the Governor;

(II) a public-private partnership or consortium;

(III) a public agency, including the immediate office of the Governor, a State oversight office, a State agency, a public institution of higher education, a University Center for Excellence in Developmental Disabilities Education, Research, and Service established under subtitle D of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15061 et seq.), or another public entity;

(IV) a council established under Federal or State law;

(V) an incorporated private nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of that Code; or

(VI) another appropriate agency, office, or entity.

(iii) EXPERTISE, EXPERIENCE, AND ABILITY.—In designating the implementing entity, the Governor shall designate an entity with expertise, experience, and ability with respect to—

(I) providing leadership in developing State initiatives related to assistive technology and accessible information technology and telecommunications;

(II) responding to assistive technology and accessible information technology and telecommunications needs of individuals with disabilities with the full range of disabilities and of all ages; and

(III) promoting availability throughout the State of assistive technology devices, assistive technology services, and accessible information technology and telecommunications.

(C) CHANGE IN AGENCY OR ENTITY.—On obtaining the approval of the Secretary, the Governor may redesignate the lead agency, or the implementing entity, if the Governor shows to the Secretary good cause why the entity designated as the lead agency, or the implementing entity, respectively, should not serve as that agency or entity, respectively. The Governor shall make the showing in the application described in subsection (d) or other documentation requested by the Secretary.

(2) ADVISORY COUNCIL.—

(A) IN GENERAL.—There shall be established an advisory council to provide consumer-responsive, consumer-driven decisionmaking for, planning of, implementation of, and evaluation of the activities carried out through the grant.

(B) COMPOSITION AND REPRESENTATION.—

(i) INDIVIDUALS WITH DISABILITIES.—A majority, not less than 51 percent, of the members of the advisory council shall be individuals with disabilities that use assistive technology, or family members or guardians of such individuals.

(ii) COMPOSITION.—The advisory council shall be composed of—

(I) a representative of the designated State agency, as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) and the State agency for individuals who are blind (within the meaning of section 101 of that Act (29 U.S.C. 721)), if such agency is separate;

(II) a representative of a State center for independent living described in part C of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796f et seq.);

(III) a representative of the State workforce investment board established under section 111 of the Workforce Investment Act of 1998 (29 U.S.C. 2821);

(IV) a representative of the State educational agency, as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801);

(V) a representative of the State agency for the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(VI) the Director of the State assistive technology program;

(VII) representatives of other State agencies, public agencies, and private organizations, as determined by the State; and

(VIII) individuals with disabilities, or parents, family members, or guardians of individuals with disabilities, who represent recipients of services from the entities identified in subclauses (I) through (VII).

(iii) REPRESENTATION.—The advisory council shall be geographically representative of the State and reflect the diversity of the State with respect to race, ethnicity, types of disabilities across the age span, and users of types of services that an individual with a disability may receive.

(C) EXPENSES.—The members of the advisory council shall receive no compensation for their service on the advisory council, but shall be reimbursed for reasonable and necessary expenses actually incurred in the performance of official duties for the advisory council.

(D) PERIOD.—The members of the State advisory council shall be appointed not later than 90 days after the approval of the State application described in subsection (d).

(E) IMPACT ON EXISTING STATUTES, RULES, OR POLICIES.—Nothing in this paragraph shall be construed to affect State statutes, rules, or official policies relating to advisory bodies for State assistive technology programs or require changes to governing bodies of incorporated agencies who carry out State assistive technology programs.

(d) APPLICATION.—

(1) IN GENERAL.—Any State that desires to receive a grant under this section shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require.

(2) LEAD AGENCY AND IMPLEMENTING ENTITY.—The application shall contain information identifying and describing the lead agency referred to in subsection (c)(1)(A). The application shall contain information identifying and describing the implementing entity referred to in subsection (c)(1)(B), including information describing the expertise, experience, and ability of the entity.

(3) ADVISORY COUNCIL.—The application shall contain an assurance that an advisory council will be established in accordance with subsection (c)(2).

(4) INVOLVEMENT OF PUBLIC AND PRIVATE ENTITIES.—The application shall describe how various public and private entities were involved in the development of the application and will be involved in the implementation of the activities to be carried out through the grant, including—

(A) in cases determined to be appropriate by the State or the State advisory council, a description of the nature and extent of resources that will be committed by public and private collaborators to assist in accomplishing identified goals; and

(B) a description of the mechanisms established to ensure coordination of activities and collaboration between the implementing entity and a State or entity that receives a grant under section 6(a).

(5) IMPLEMENTATION.—The application shall include a description of—

(A) how the State will implement each of the required activities described in subsection (e), except as provided in subparagraph (A) or (B) of subsection (e)(1); and

(B) how the State will allocate and utilize grant funds to implement the activities.

(6) ASSURANCES.—The application shall include assurances that—

(A) the State will annually collect data related to the required activities in order to prepare the progress reports required under subsection (f);

(B) funds received through the grant—

(i) will be expended in accordance with this section, on initiatives identified by the advisory council described in subsection (c)(2);

(ii) will be used to supplement, and not supplant, funds available from other sources for technology-related assistance, including the provision of assistive technology devices and assistive technology services;

(iii) will not be used to pay a financial obligation for technology-related assistance (including the provision of assistive technology devices or assistive technology services) that would have been paid with funds from other sources if funds had not been available through the grant; and

(iv) will not be commingled with State or other funds, except that the State may, subject to such documentation requirements as the Secretary may establish, pool funds received through the grant with other public or private funds to achieve a goal specified in an application approved under this section;

(C) the lead agency will control and administer the funds received through the grant;

(D) the State will adopt such fiscal control and accounting procedures as may be necessary to ensure proper disbursement of and accounting for the funds received through the grant; and

(E) the State (including the State lead agency) will not use more than 10 percent of the funds received through the grant for indirect costs.

(e) USE OF FUNDS.—

(1) IN GENERAL.—Any State that receives a grant under this section shall use the funds made available through the grant to carry out the activities described in paragraph (2),

except that the State shall not be required to carry out an activity if—

(A) another entity in the State is providing the same or a similar activity; or

(B) the advisory council described in subsection (c)(2) determines through a needs assessment that the residents of the State consider the activity to be unwarranted.

(2) REQUIRED ACTIVITIES.—

(A) STATE FINANCING SYSTEMS.—The State shall support activities to increase access to, and funding for, assistive technology devices and assistive technology services (which shall not include direct payment for such a device or service for an individual with a disability but may include support and administration of a program to provide such payment), including development of systems to provide and pay for such devices and services, for targeted individuals described in section 3(18)(A), such as—

(i) support for the development of systems for the purchase, lease, or other acquisition of, or payment for, assistive technology devices and assistive technology services; or

(ii) support for the development of State-financed or privately financed alternative financing systems of subsidies (which may include studying the feasibility of, improving, administering, operating, providing capital for, or collaborating with an entity with respect to, such a system) for the provision of assistive technology devices (including related accessible information technology and telecommunications) and assistive technology services, such as—

(I) a low-interest loan fund;

(II) an interest buy-down program;

(III) a revolving loan fund;

(IV) a loan guarantee or insurance program;

(V) a program providing for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(VI) another mechanism that is approved by the Secretary.

(B) DEVICE DEMONSTRATIONS.—

(i) IN GENERAL.—The State shall directly, or in collaboration with public and private entities, such as one-stop partners, as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801), demonstrate, assist individuals in making informed choices regarding, and provide experiences with, a variety of assistive technology devices and assistive technology services, using personnel who are familiar with such devices and services and their applications.

(ii) COMPREHENSIVE INFORMATION.—The State shall directly, or through referrals, provide to individuals, to the extent practicable, comprehensive information about State and local assistive technology venders, providers, and repair services.

(C) DEVICE LOAN PROGRAMS.—The State shall directly, or in collaboration with public or private entities, carry out device loan programs that provide short-term loans of assistive technology devices to individuals, employers, public agencies, or others seeking to meet the needs of individuals with disabilities.

(D) DEVICE RE-UTILIZATION PROGRAMS.—The State shall directly, or in collaboration with public or private entities, carry out assistive technology device re-utilization programs that provide for the exchange, repair, recycling, or other re-utilization of assistive technology devices, which may include redistribution through device sales, loans, rentals, or donations.

(E) TRAINING AND TECHNICAL ASSISTANCE.—

(i) IN GENERAL.—The State shall directly, or provide support to public or private entities with demonstrated expertise in collaborating with public or private agencies that serve individuals with disabilities to develop and disseminate training materials, conduct training, and provide technical assistance, for individuals from local settings statewide, including representatives of State and local educational agencies, other State and local agencies, early intervention programs, adult service programs, hospitals and other health care facilities, institutions of higher education, and businesses.

(ii) AUTHORIZED ACTIVITIES.—In carrying out activities under clause (i), the State shall carry out activities that enhance the knowledge, skills, and competencies of individuals from local settings described in clause (i), which may include—

(I) general awareness training on the benefits of assistive technology and the Federal, State, and private funding sources available to assist targeted individuals and entities in acquiring assistive technology;

(II) skills-development training in assessing the need for assistive technology devices and assistive technology services;

(III) training to ensure the appropriate application and use of assistive technology devices, assistive technology services, accessible information technology and telecommunications, and accessible technology for e-government functions;

(IV) training in the importance of culturally competent and linguistically appropriate approaches to assessment and implementation; and

(V) technical training on integrating assistive technology into the development and implementation of service plans, including any education, health, discharge, Olmstead, employment, or other plan required under Federal or State law.

(F) PUBLIC AWARENESS.—

(i) IN GENERAL.—The State shall conduct public-awareness activities designed to provide information to targeted individuals and entities relating to the availability and benefits of assistive technology devices and assistive technology services.

(ii) COLLABORATION.—The State shall collaborate with a training and technical assistance provider described in section 7(b)(1) to carry out public awareness activities focusing on infants, toddlers, children, transition-age youth, employment-age adults, seniors, and employers.

(iii) STATEWIDE INFORMATION AND REFERRAL SYSTEM.—

(I) IN GENERAL.—The State shall directly, or in collaboration with public or private (such as nonprofit) entities, provide for the continuation and enhancement of a statewide information and referral system designed to meet the needs of targeted individuals and entities.

(II) CONTENT.—The system shall deliver information on—

(aa) assistive technology devices and accessible information technology and telecommunications products;

(bb) assistive technology services, with specific data regarding provider availability within the State; and

(cc) the availability of resources, including funding through public and private sources, to obtain assistive technology devices, accessible information technology and telecommunications products, and assistive technology services.

(G) INTERAGENCY COORDINATION AND COLLABORATION.—The State shall promote improved coordination of activities and collaboration among public and private entities that are responsible for policies, procedures, or funding for the provision of assistive technology devices and assistive technology services to individuals with disabilities, service providers, and others.

(H) TARGETED POPULATION ACTIVITY.—

(i) IN GENERAL.—The State shall directly, or in collaboration with public or private entities, carry out coordinated activities to improve access to assistive technology devices and assistive technology services for 1 State-chosen targeted population, consisting of—

(I) elementary and secondary school students, elementary and secondary education providers, and related personnel;

(II) adult service provider clients, adult service providers, and related personnel; or

(III) employees, employment providers, and related personnel.

(ii) REQUIRED ACTIVITIES.—In carrying out activities under clause (i), the State shall carry out targeted initiatives consisting of 2 or more of the required activities described in subparagraphs (A) through (F), including—

(I) public-awareness activities described in subparagraph (F); and

(II) training and technical assistance described in subparagraph (E) which shall include technical training described in subparagraph (E)(v).

(iii) OPTIONAL ACTIVITIES.—In carrying out activities under clause (i), the State may carry out State-identified improvement projects, which may include activities to—

(I) improve the timely acquisition or retention and utilization of appropriate assistive technology for students in transition;

(II) increase utilization of technology solutions to enhance community integration and aging in place; and

(III) increase integration of assistive technology and accessible information technology and telecommunications into the services provided at one-stop centers established under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2831 et seq.).

(3) CONDITIONS.—

(A) COVERED STATE.—In this paragraph, a ''covered State'' means a State that received funds for an alternative financing mechanism under—

(i) title III of the Assistive Technology Act of 1998, as in effect on the day before the date of enactment of this Act; and

(ii) a grant awarded under this section, to carry out activities described in paragraph (2)(A).

(B) REQUIREMENTS.—Each covered State shall meet the requirements of subparagraphs (B) and (C) of section 6(a)(5), except that references in those subparagraphs to a grant shall be considered to be references to the grant described in subparagraph (A)(ii).

(4) STATE FUNDS.—A State may use State funds to carry out activities described in paragraph (2)(A) for additional targeted individuals and entities (other than individuals and entities described in section 3(18)(A)) if the State advisory council described in subsection (c)(2) approves the additional targeted individuals and entities.

(f) PROGRESS REPORTS.—

(1) DATA COLLECTION.—States shall participate in data collection as required by law, including data collection required for preparation of the report described in paragraph (2).

(2) REPORTS.—

(A) IN GENERAL.—Not later than December 31 of each year, the Secretary shall prepare and submit to the President and to Congress a report on the activities funded under this Act.

(B) CONTENTS.—The report shall include data collected pursuant to this section and section 6(a)(7). The report shall document, with respect to activities carried out under this section and section 6(a)—

(i) the number and dollar amount of financial loans made;

(ii) the number and type of assistive technology device demonstrations provided;

(iii) the number and type of assistive technology devices loaned through device loan programs;

(iv) the number and estimated value of assistive technology devices exchanged, repaired, recycled, or re-utilized (including redistributed through device sales, loans, rentals, or donations) through device re-utilization programs;

(v)(I) the number and general characteristics of individuals who participated in training (such as individuals with disabilities, parents, educators, employers, providers of employment services, health care workers, counselors, other service providers, or vendors) and the topics of such training; and

(II) to the extent practicable, the geographic distribution of individuals who participate in training or technical assistance activities;

(vi) the amount and nature of technical assistance provided to State and local agencies and other entities;

(vii) the number of individuals assisted through the public-awareness activities and statewide information and reference system;

(viii) the outcomes of any improvement initiatives carried out by the State as a result of activities funded under this section, including a description of any written policies, practices, and procedures that the State has developed and implemented regarding access to, provision of, and funding for, assistive technology devices, accessible information technology and telecommunications, and assistive technology services, in the contexts of education, health care, employment, community living, and information technology and telecommunications, including e-government;

(ix) the outcomes of interagency coordination and collaboration activities carried out by the State that support access to assistive technology, including documenting—

(I) the type of, purpose for, and source of leveraged funding or other contributed resources from public and private entities, and the number of individuals served with those resources for which information is not reported under clauses (i) through (viii) or clause (x), and other outcomes accomplished as a result of such activities carried out with those resources; and

(II) the type of, purpose for, and amount of funding provided through subcontracts or other collaborative resource-sharing agreements with public and private entities, including community-based nonprofit organizations, and the number of individuals served through those agreements for which information is not reported under clauses (i) through (viii) or clause (x), and other outcomes accomplished as a result of such activities carried out through those agreements;

(x) measured outcomes of activities undertaken to improve access to assistive technology devices and assistive technology services for targeted populations; and

(xi) the level of customer satisfaction with, or the outcomes of, the services provided.

**SEC. 5. STATE GRANTS FOR PROTECTION AND ADVOCACY SERVICES RELATED TO ASSISTIVE TECHNOLOGY.**

(a) GRANTS.—

(1) IN GENERAL.—The Secretary shall make grants under subsection (b) to protection and advocacy systems in each State for the purpose of enabling such systems to assist in the acquisition, utilization, or maintenance of assistive technology devices or assistive technology services for individuals with disabilities.

(2) GENERAL AUTHORITIES.—In providing such services, protection and advocacy systems shall have the same general authorities as the systems are afforded under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.), as determined by the Secretary.

(b) GRANTS.—

(1) RESERVATION.—For each fiscal year, the Secretary shall reserve such sums as may be necessary to carry out paragraph (4).

(2) POPULATION BASIS.—On October 1 of each year, from the funds appropriated under section 10(b) and remaining after the reservations required by paragraph (1) have been made, the Secretary shall make a grant to a protection and advocacy system within each State in an amount bearing the same ratio to the remaining funds as the population of the State bears to the population of all States.

(3) MINIMUMS.—Subject to the availability of appropriations, the amount of a grant to a protection and advocacy system under paragraph (2) for a fiscal year shall—

(A) in the case of a protection and advocacy system located in American Samoa, Guam, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands, not be less than $30,000; and

(B) in the case of a protection and advocacy system located in a State not described in subparagraph (A), not be less than $50,000.

(4) PAYMENT TO THE SYSTEM SERVING THE AMERICAN INDIAN CONSORTIUM.—

(A) IN GENERAL.—The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section.

(B) AMOUNT OF GRANTS.—The amount of such grants shall be the same as provided under paragraph (3)(A), as increased under paragraph (5).

(5) MINIMUM GRANT INCREASE.—For each fiscal year for which the total amount appropriated under section 10(b) is $4,419,000 or more, and such appropriated amount exceeds the total amount appropriated under such section (or a predecessor authority) for the preceding fiscal year, the Secretary shall increase each of the minimum grant amounts described in subparagraphs (A) and (B) of paragraph (3) by a percentage equal to the percentage increase (if any) in the total amount appropriated under section 10(b) (or a predecessor authority) to carry out this section between the preceding fiscal year and the fiscal year involved.

(c) DIRECT PAYMENT.—Notwithstanding any other provision of law, the Secretary shall pay directly to any protection and advocacy system that complies with this section, the total amount of the grant made for such system under this section, unless the system provides otherwise for payment of the grant amount.

(d) CERTAIN STATES.—

(1) GRANT TO LEAD AGENCY.—Notwithstanding any other provision of this section, with respect to a State that, on November 12, 1998, was described in section 102(f)(1) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, the Secretary shall pay the amount of the grant described in subsection (a), and made under subsection (b), to the lead agency designated under section 4(c)(1) for the State.

(2) DISTRIBUTION OF FUNDS.—A lead agency to which a grant is awarded under paragraph (1) shall determine the manner in which funds made available through the grant will be allocated among the entities that were providing protection and advocacy services in that State on the date described in such paragraph, and shall distribute funds to such entities. In distributing such funds, the lead agency shall not establish any additional eligibility or procedural requirements for an entity in the State that supports protection and advocacy services through a protection and advocacy system. Such an entity shall comply with the same requirements (including reporting and enforcement requirements) as any other entity that receives funding under this section.

(3) APPLICATION OF PROVISIONS.—Except as provided in this subsection, the provisions of this section shall apply to the grant in the same manner, and to the same extent, as the provisions apply to a grant to a system.

(e) CARRYOVER.—Any amount paid to a protection and advocacy system for a fiscal year under this section shall remain available to such system for obligation until the end of the next fiscal year for the purposes for which such amount was originally provided, except that program income generated from such amount shall remain available to such system until expended.

(f) ANNUAL REPORT.—Each protection and advocacy system that receives a payment under this section shall submit an annual report to the Secretary concerning the services provided and outcomes of services provided under this section to individuals with disabilities for the purposes of assisting in the acquisition, utilization, or maintenance of assistive technology devices or assistive technology services.

**SEC. 6. SUPPLEMENTARY GRANTS AND PROJECTS OF NATIONAL SIGNIFICANCE.**

(a) SUPPLEMENTARY GRANTS.—

(1) GRANTS.—

(A) IN GENERAL.—The Secretary shall award supplementary grants, on a competitive basis, to States or other entities to carry out 1 or more of the activities described in paragraph (6), either directly or through subgrants to or other collaborative mechanisms with public or private entities, to allow individuals with disabilities and their family members, guardians, advocates, and authorized representatives to purchase or have increased access to assistive technology devices and assistive technology services. The Secretary shall award such a grant to not more than 1 entity in each State.

(B) PERIOD OF GRANTS.—The Secretary shall award grants under this subsection for periods of 12 months.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, a State shall have received a grant under section 4 or under section 101 of the Assistive Technology Act of 1998, as in effect on the day before the date of enactment of this Act.

(3) APPLICATIONS.—A State or entity that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including the following:

(A)(i) A description of—

(I) the goals the State or entity has identified for the supplementary grant; and

(II) the activities the State or entity will carry out to achieve such goals, in accordance with the requirements of paragraphs (5) and (6).

(ii) A description of how the State or entity will measure whether the goals identified by the State or entity have been achieved by the end of the grant period.

(B) A description of the proposed use of funds to meet the identified goals.

(C) If the application is submitted by an entity other than the implementing entity for the State assistive technology program, a description of the mechanisms established to ensure coordination of activities and collaboration with the implementing entity.

(D) In the case of an application for a grant for an alternative financing loan program described in paragraph (6)(A), information identifying and describing—

(i) a consumer-based organization that has individuals with disabilities involved in organizational decisionmaking at all organizational levels, that will administer the alternative financing loan program; and

(ii) a commercial lending institution, State financing agency, or other qualified entity who will facilitate implementation of the program.

(E) A description of resources that have been committed for the activities to be carried out under the grant and assurances that—

(i) the State or entity will provide any required non-Federal contributions toward the cost of the activities;

(ii) the State or entity will make every effort to continue the activities on a permanent basis;

(iii) the funds made available through the grant to support the activities will supplement and not supplant other funds available to provide such activities;

(iv) in the case of a grant for an alternative financing loan program described in paragraph (6)(A)—

(I) all funds that support the alternative financing loan program, including the grant funds, funds provided for the non-Federal contributions described in clause (i), funds repaid during the life of the program, and any interest or investment income resulting from the program, will be placed in a permanent separate account and identified and accounted for separately from any other funds;

(II) such account will be—

(aa) used only to support the alternative financing program;

(bb) administered by an organization that has individuals with disabilities involved in organizational decisionmaking at all organizational levels; and

(cc) administered with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person; and

(III) if the funds in the account are invested, the funds will be invested in low-risk securities in which a regulated insurance company may invest under the law of the State.

(4) PREFERENCES.—

(A) EXPERIENCE.—In awarding grants under this subsection for activities described in subparagraph (A) or (B) of paragraph (6), the Secretary shall give preference to a State entity or other entity that—

(i) has experience carrying out similar activities; or

(ii) received a grant under title III of the Assistive Technology Act of 1998, as in effect on the day before the date of enactment of this Act, or a predecessor authority.

(B) NO PRIOR GRANT OR LOW GRANT TOTAL.—In awarding grants under this subsection for activities described in paragraph (6)(A), the Secretary may give preference to a State, or an entity in a State, where the State has not received a grant, or has received less than a total of $1,000,000 in grant awards, under title III of the Assistive Technology Act of 1998, as in effect on the day before the date of enactment of this Act. In awarding grants under this subsection for activities described in paragraph (6)(B), the Secretary may give preference to a State, or an entity in a State, where the State has not operated a device loan program for assistive technology or assistive technology devices.

(C) LIMITATIONS.—A State, or an entity in a State, where the State has not received an alternative financing grant described in subparagraph (B) may not receive an initial grant under this subsection for activities described in paragraph (6)(A) in an amount greater than $1,000,000. A State, or an entity in a State, where the State has not operated a device loan program described in subparagraph (B) may not receive an initial grant under this subsection for activities described in paragraph (6)(B) in an amount greater than $1,000,000.

(5) CONDITIONS ON SUPPLEMENTARY GRANTS.—

(A) PAYMENTS TO STATES OR OTHER ENTITIES.—Subject to the conditions specified in this subsection, the Secretary shall make payments to the States or entities that are selected to receive supplementary grants awarded under this subsection.

(B) OBLIGATION AND EXPENDITURE.—A State or entity that receives a grant under this subsection shall obligate and expend the funds made available through the grant during the period of the grant.

(C) MATCHING REQUIREMENT.—With respect to the cost to be incurred by a State or entity that receives a grant under this subsection to carry out activities described in paragraph (6), a State or entity that receives such a grant in an amount of more than $500,000 shall make available non-Federal contributions in an amount not less than $1 for every $5 of Federal funds provided under the grant.

(D) INDIRECT COSTS.—No State or entity shall use more than 10 percent of the funds made available through a grant awarded under this subsection for indirect costs.

(6) ACTIVITIES.—The State or entity may use funds made available through a grant awarded under this subsection to carry out 1 or more of the following activities:

(A) ALTERNATIVE FINANCING LOAN PROGRAMS CAPITAL INFUSION GRANTS.—The establishment or expansion, and administration, of an alternative financing loan program to allow targeted individuals and entities described in section 3(18)(A) to purchase assistive technology devices and assistive technology services, accessible information technology and telecommunications, and related goods and services required for the independence and productivity of an individual with a disability. The program may include—

(i) a low-interest loan fund program;

(ii) an interest buy-down program;

(iii) a revolving loan fund program;

(iv) a loan guarantee or insurance program; or

(v) a program based on another financing mechanism that is approved by the Secretary.

(B) DEVICE LOAN PROGRAMS CAPITAL INFUSION GRANTS.—The expansion and administration of device loan programs to meet unique or comprehensive State needs, such as the expansion and administration of the programs through—

(i) joint funding agreements between the implementing entity for the State assistive technology program and educational agencies, vocational rehabilitation agencies, entities providing medical assistance, or other public or private entities who pay for assistive technology devices; or

(ii) a specialized State-specific funding stream or pool for the purchase of assistive technology to be loaned.

(C) STATE FUNDS.—A State may use State funds to carry out activities described in subparagraph (A) for additional targeted individuals and entities (other than individuals and entities described in section 3(18)(A)) if the State advisory council described in section 4(c)(2) and the consumer-based organization described in paragraph (3)(D) approve the additional targeted individuals and entities.

(7) PROGRESS REPORTS.—

(A) IN GENERAL.—Each State or entity that receives a grant under this subsection shall prepare and submit to the Secretary a status report not later than 7 months after the date on which the State or entity receives the grant and a final report not later than 18 months after the date on which the State or entity receives the grant. Each report shall document the progress of the State or entity in meeting the goals described in paragraph (3)(A)(i)(I).

(B) ALTERNATIVE FINANCING LOAN PROGRAM DATA REQUIRED.—A State or entity that receives a grant for an alternative financing loan program described in paragraph (6)(A) shall include in each report loan data with respect to the program for the period of the grant award, including—

(i) the number and dollar amount of loans made under that paragraph for—

(I) loan applications received;

(II) loan applications approved; and

(III) loan applications not approved;

(ii) the default rate of the loans;

(iii) the range of interest rates and average interest rate for the loans;

(iv) the range of income and average income of approved loan applicants for the loans;

(v) the types and dollar amounts of assistive technology financed through the loans; and

(vi) the outcomes of the loan program, including information relevant to the benefits to individuals utilizing the program.

(C) DEVICE LOAN PROGRAMS DATA REQUIRED.—A State that receives a grant for an device loan program described in paragraph (6)(B) shall include in each report loan data with respect to the program for the period of the grant award, including—

(i) the number and type of assistive technology devices loaned under that paragraph;

(ii) the general characteristics of borrowers (such as individuals with disabilities, parents, educators, employers, providers of employment services, health care workers, counselors, other service providers, or venders);

(iii) the purposes for which the loans were made; and

(iv) the outcomes of the loans, including information relevant to the benefits to individuals utilizing the program.

(8) CONSTRUCTION.—Nothing in this subsection shall be construed as affecting the authority of a State to establish an alternative financing system under section 4.

(b) PROJECTS OF NATIONAL SIGNIFICANCE.—

(1) COMPETITIVE GRANT FOR DEVELOPMENT OF A NATIONAL PUBLIC-AWARENESS TOOLKIT.—

(A) PURPOSE.—The purpose of this paragraph is to support the development of a national public-awareness toolkit for dissemination to State assistive technology programs, in order to expand public-awareness efforts to reach targeted individuals and entities, as defined in subparagraphs (A), (B), (D), (F), (G), and (I) of section 3(18).

(B) COMPETITIVE TECHNICAL ASSISTANCE GRANT AUTHORIZED.—The Secretary may award a grant on a competitive basis to an eligible partnership, to enable the partnership to carry out the activities described in subparagraph (A).

(C) ELIGIBLE PARTNERSHIP.—To be eligible to receive the grant, the partnership—

(i) shall consist of—

(I) an implementing entity for a State assistive technology program or an organization or association that represents implementing entities for State assistive technology programs;

(II) a private or public entity from the media industry;

(III) a private entity from the assistive technology industry; and

(IV) a private employer or an organization or association that represents private employers; and

(ii) may include another entity determined by the Secretary to be appropriate.

(D) APPLICATIONS.—To be eligible to receive a grant under this paragraph, a partnership shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(E) USE OF FUNDS.—A partnership that receives a grant under this paragraph shall use the funds made available through the grant to develop a national public-awareness toolkit, which shall contain appropriate multimedia materials to reach targeted individuals and entities, as defined in subparagraphs (A), (B), (D), (F), (G), and (I) of section 3(18), for dissemination to State assistive technology programs.

(2) RESEARCH, DEVELOPMENT, AND EVALUATION.—

(A) COMPETITIVE RESEARCH, DEVELOPMENT, AND EVALUATION GRANTS AUTHORIZED.—The Secretary may award grants to eligible entities to carry out research, development, and evaluation of assistive technology.

(B) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this paragraph shall include—

(i) providers of assistive technology services and assistive technology devices;

(ii) public and private educational agencies serving students in kindergarten, elementary school, or secondary school;

(iii) institutions of higher education, including University Centers for Excellence in Developmental Disabilities Education, Research, and Service authorized under subtitle D of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15061 et seq.), or such institutions offering rehabilitation engineering programs, computer science programs, or information technology programs;

(iv) manufacturers of assistive technology and accessible information technology and telecommunications;

(v) consumer organizations concerned with assistive technology;

(vi) professionals, organizations, and agencies, providing services to individuals with disabilities; and

(vii) professionals, individuals, and organizations, providing employment services to individuals with disabilities.

(C) PRIORITY ACTIVITIES.—In awarding such grants, the Secretary shall give priority to funding projects that address 1 or more of the following:

(i) Developing standards for reliability and accessibility of assistive technology, and standards for interoperability (including open standards) of assistive technology with information technology, telecommunications products, and other assistive technology.

(ii) Developing and implementing measurements and tools that evaluate assistive technology for—

(I) conformity with reliability, accessibility and interoperability standards developed under clause (i);

(II) usability by individuals with disabilities to meet functional needs; or

(III) other characteristics that support increased functional performance of assistive technology.

(iii) Developing assistive technology that benefits individuals with disabilities or developing technologies or practices that result in the adaptation, maintenance, servicing, or improvement of assistive technology devices.

(D) INPUT.—An entity that receives a grant under this paragraph shall, in developing and implementing the project carried out through the grant, coordinate activities with the implementing entity for the State assistive technology program (or a national organization that represents such programs) and the State advisory council described in section 4(c)(2) (or a national organization that represents such councils).

(E) REPORT.—The entity shall prepare and submit a report to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(3) PERSONNEL PREPARATION CENTERS.—

(A) GRANTS.—The Secretary shall award grants, on a competitive basis, to public and private entities and institutions of higher education, including University Centers for Excellence in Developmental Disabilities Education, Research, and Service established under subtitle D of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15061 et seq.), to fund the establishment or expansion of personnel preparation centers.

(B) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this paragraph, an entity shall have—

(i) knowledge and skills to assess and evaluate the need for assistive technology devices and assistive technology services;

(ii) knowledge and skills to assist consumers in the selection and acquisition of the devices and services; and

(iii) experience training professionals in school districts, at early intervention service sites, and in adult service provider settings, in geographically diverse areas within the State.

(C) APPLICATION.—

(i) IN GENERAL.—To be eligible to receive a grant under this paragraph, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(ii) CONTENTS.—At a minimum, the application shall include—

(I) a description of the entity's knowledge and skills regarding assistive technology assessment and evaluation;

(II) a description of how the entity will collect training outcome data;

(III) a description of the manner in which the entity will carry out financial and programmatic responsibilities, including any shared responsibilities, in implementing the activities carried out under the grant;

(IV) a description of the relationship between the entity and school personnel, early intervention service personnel, and adult service provider personnel in the State; and

(V) a description of an advisory committee designated or established under subparagraph (E).

(D) USE OF FUNDS.—An entity that receives a grant under this paragraph shall use the funds made available through the grant to carry out the activities described in subparagraph (B).

(E) ADVISORY COMMITTEE.—

(i) IN GENERAL.—A council (which may be the advisory council described in section 4(c)(2)) shall be designated to serve as an advisory committee, or an advisory committee shall be established, to make recommendations for the training to be offered through the grant, the specific populations to receive the training, and the reporting requirements applicable to the entity under subparagraph (F).

(ii) COMPOSITION.—At a minimum, such advisory committee shall be composed of—

(I) consumers of assistive technology services and assistive technology devices;

(II) providers of assistive technology services and assistive technology devices;

(III) the implementing entity for the State assistive technology program; and

(IV) entities (other than the entity described in clause (i)) that receive grants under this paragraph.

(F) REPORTING REQUIREMENTS.—

(i) IN GENERAL.—An entity that receives a grant under this paragraph shall submit to the Secretary an annual report detailing outcomes achieved through activities carried out under the grant at such time, in such manner, and containing such information as the Secretary may require, after receiving the recommendations of the advisory committee described in subparagraph (E) for the entity.

(ii) CONTENTS.—At a minimum, the report shall include information on—

(I) the number and geographical distribution of teachers (broken down into general education and special education categories) and other school personnel who received training under this paragraph in the school year covered by the report;

(II) the number and geographical distribution of early intervention service personnel who received training under this paragraph in the year covered by the report; and

(III) the number and geographical distribution of adult service provider personnel who received training under this paragraph in the year covered by the report.

(4) PERIOD OF GRANTS.—The Secretary shall make grants under this subsection for periods of 12 months.

(5) CONDITIONS ON PROJECTS OF NATIONAL SIGNIFICANCE.—

(A) PAYMENTS TO PARTNERSHIPS AND ENTITIES.—Subject to the conditions specified in this paragraph, the Secretary shall make payments to the partnerships and entities that are selected to receive grants awarded under this subsection.

(B) OBLIGATION AND EXPENDITURE.—A partnership or entity that receives a grant under this subsection shall obligate and expend the funds made available through the grant during the period of the grant.

(C) MATCHING REQUIREMENT.—

(i) IN GENERAL.—With respect to the cost to be incurred by a partnership or entity that receives a grant under this subsection in carrying out the activities for which the grant was awarded, a partnership or entity that receives a grant under this subsection in an amount of more than $50,000 shall make available non-Federal contributions in an amount not less than $1 for every $3 of the portion of the grant amount that exceeds $50,000.

(ii) NON-FEDERAL CONTRIBUTIONS.—The partnership or entity may make the non-Federal contributions available in cash or in kind, fairly evaluated, including plant, equipment, or services.

**SEC. 7. TRAINING, TECHNICAL ASSISTANCE, DATA-COLLECTION, REPORTING, AND INTERNET PROGRAMS.**

(a) IN GENERAL.—In order to strengthen and support State assistive technology programs, and protection and advocacy systems authorized under section 5, the Secretary may award 1 or more grants, contracts, or cooperative agreements on a competitive basis under subsections (b) and (c) to provide training and technical assistance, and conduct data collection and reporting, about and for the State assistive technology programs and protection and advocacy systems.

(b) TRAINING AND TECHNICAL ASSISTANCE; DATA COLLECTION AND REPORTING.—

(1) STATE PROJECTS TRAINING AND TECHNICAL ASSISTANCE EFFORTS.—

(A) IN GENERAL.—The Secretary shall award grants, contracts, and cooperative agreements to provide training and technical assistance concerning State assistive technology programs.

(B) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under this paragraph, an entity shall have personnel with—

(i) documented experience and expertise in administering State assistive technology programs, including developing, implementing, and administering the required and

discretionary activities described in sections 4 and 6(a); and

(ii) documented experience in and knowledge about banking, finance, and microlending.

(C) APPLICATION.—To be eligible to receive a grant, contract, or cooperative agreement under this paragraph, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(D) TRAINING AND TECHNICAL ASSISTANCE EFFORTS.—In awarding the grant, contract, or cooperative agreement, the Secretary shall ensure that the recipient conducts a training and technical assistance program, taking into account the required input and collaborations described in subparagraph (E), through which the recipient—

(i) addresses State-specific information requests concerning assistive technology and accessible information technology and telecommunications from implementing entities for State assistive technology programs funded under this Act and public and private entities not funded under this Act, including—

(I) requests for information on effective approaches to developing, implementing, evaluating, and sustaining required and discretionary activities identified in sections 4 and 6(a), and requests for assistance in developing corrective action plans;

(II) requests for examples of Federal, State, and local policies, practices, procedures, regulations, interagency agreements, administrative hearing decisions, or legal actions that facilitate, and overcome barriers to, the provision of funding for, and access to, assistive technology devices, accessible information technology and telecommunications, and assistive technology services for individuals with disabilities; and

(III) other requests for training and technical assistance from State assistive technology programs funded under this Act and public and private entities not funded under this Act, and other assignments specified by the Secretary; and

(ii) provides State-specific and national training and technical assistance concerning assistive technology and accessible information technology and telecommunications to implementing entities for State assistive technology programs, including financing systems, funded under section 4, other entities funded under this Act (with respect to the required or discretionary activities that the entities carry out under this Act and especially with respect to the establishment or expansion, and administration (including evaluation and sustenance), of alternative financing loan programs under section 6(a)), and public and private entities not funded under this Act, including—

(I) annually providing a forum for exchanging information and promoting program and policy improvements in required activities of the State assistive technology programs;

(II) facilitating on-site and electronic information sharing using state-of-the-art Internet technologies such as real-time online discussions, multipoint video conferencing, and web-based audio/video broadcasts, on emerging topics that affect State assistive technology programs and individuals with assistive technology and accessible information technology and telecommunications needs;

(III) convening experts from State assistive technology programs to discuss and make recommendations with regard to national emerging issues of importance to individuals with assistive technology and accessible information technology and telecommunications needs;

(IV) sharing best practice and evidence-based practices among State assistive technology programs;

(V) maintaining an accessible website that includes a link to State assistive technology programs, Federal departments and agencies, and associations and developing a national toll-free number that links callers from a State with the State assistive technology program in their State;

(VI) developing or utilizing existing (as of the date of the award involved) model cooperative volume-purchasing mechanisms designed to reduce the financial costs of purchasing assistive technology for required and discretionary activities identified in sections 4 and 6(a), and reducing duplication of activities among State assistive technology programs; and

(VII) providing access to experts in the areas of banking, microlending, and finance, for implementing entities for State assistive technology programs and other entities funded under this Act to administer alternative financing loan programs, through site visits, teleconferences, and other means, to ensure access to information for entities that are carrying out new programs or programs that are not making progress in achieving the objectives of the programs.

(E) REQUIRED INPUT AND COLLABORATION.—In providing training and technical assistance under this paragraph, a recipient of a grant, contract, or cooperative agreement under this paragraph shall meet the following requirements:

(i) INPUT.—The recipient shall involve, in the planning and identification of priority issues and needs, the directors of State assistive technology programs and other individuals the Secretary determines to be appropriate, especially—

(I) individuals with disabilities who use, and understand the barriers to the acquisition of, assistive technology and accessible information technology and telecommunications;

(II) family members, guardians, advocates, and authorized representatives of such individuals;

(III) relevant employees from other Federal departments and agencies;

(IV) businesses; and

(V) venders and public and private researchers and developers.

(ii) COLLABORATION.—The recipient shall collaborate, in developing and implementing training and technical assistance activities identified as priorities, with other organizations, in particular—

(I) national organizations representing State assistive technology programs;

(II) organizations representing State officials and agencies engaged in the delivery of assistive technology and accessible information technology and telecommunications;

(III) the data-collection and reporting providers described in paragraph (2); and

(IV) other providers of national programs or programs of national significance funded under this Act.

(2) STATE PROJECTS DATA-COLLECTION AND REPORTING PROGRAM.—

(A) IN GENERAL.—The Secretary shall award grants, contracts, and cooperative agreements to conduct data collection and reporting concerning State assistive technology programs.

(B) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under this paragraph, an entity shall have personnel with—

(i) documented experience and expertise in administering State assistive technology programs;

(ii) experience in collecting and analyzing data associated with implementing required and discretionary activities;

(iii) expertise necessary to identify additional data elements needed to provide comprehensive reporting of State activities and outcomes; and

(iv) experience in utilizing data to provide annual reports to State policymakers.

(C) APPLICATION.—To be eligible to receive a grant, contract, or cooperative agreement under this paragraph, an eligible applicant shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(D) DATA-COLLECTION AND REPORTING PROGRAM.—In awarding the grant, contract, or cooperative agreement, the Secretary shall ensure that the recipient conducts a data-collection and reporting program that enhances and improves the operations and conduct of a State assistive technology program. The Secretary shall ensure that the recipient achieves that enhancement and improvement by using quantitative and qualitative data elements, measuring the outcomes of the required activities described in section 4(e), and measuring the accrued benefits of the activities to individuals who need assistive technology and accessible information technology and telecommunications.

(E) REQUIRED DATA ELEMENTS.—The core set of the data elements shall, at a minimum, include data elements for—

(i) the number and dollar amount of financial loans made;

(ii) the number and type of assistive technology device demonstrations provided;

(iii) the number and type of assistive technology devices loaned through device loan programs;

(iv) the number and estimated value of assistive technology devices exchanged, repaired, recycled, or re-utilized (including redistributed through device sales, loans, rentals, or donations) through device re-utilization programs;

(v)(I) the number and general characteristics of individuals who participated in training (such as individuals with disabilities, parents, educators, employers, providers of employment services, health care workers, counselors, other service providers, or vendors) and the topics of such training; and

(II) to the extent practicable, the geographic distribution of individuals who participated in training or technical assistance activities;

(vi) the amount and nature of technical assistance provided to State and local agencies and other entities;

(vii) the number of individuals assisted through the public-awareness activities and statewide information and reference system;

(viii) the outcomes of any improvement initiatives carried out by the State as a result of activities funded under section 4;

(ix) the outcomes of interagency coordination and collaboration activities carried out by the State that support access to assistive technology;

(x) measured outcomes of activities undertaken to improve access to assistive technology devices and assistive technology services for targeted populations;

(xi) the outcomes of the services provided; and

(xii) the level of customer satisfaction with, or the outcomes of, the services provided.

(F) REQUIRED INPUT AND COLLABORATION.—In conducting data-collection and reporting activities under this paragraph, a recipient of a grant, contract, or cooperative agreement under this paragraph shall meet the following requirements:

(i) INPUT.—The recipient shall actively involve, in the development of the data-collection and reporting system, the directors of State assistive technology programs and

other individuals the Secretary determines to be appropriate, especially—

(I) individuals with disabilities who use, and understand the barriers to the acquisition of, assistive technology and accessible information technology and telecommunications;

(II) family members, guardians, advocates, and authorized representatives of such individuals;

(III) relevant employees from other Federal departments and agencies;

(IV) businesses; and

(V) venders and public and private researchers and developers.

(ii) COLLABORATION.—The recipient shall actively collaborate, in developing and implementing the system, with other organizations, in particular—

(I) national organizations representing State assistive technology programs;

(II) the training and technical assistance providers described in paragraph (1); and

(III) entities carrying out projects of national significance funded under section 6(b), as appropriate.

(3) STATE PROTECTION AND ADVOCACY SERVICES TRAINING AND TECHNICAL ASSISTANCE EFFORTS.—

(A) GENERAL AUTHORITY.—The Secretary shall award grants, contracts, and cooperative agreements to provide training and technical assistance concerning protection and advocacy services.

(B) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under this paragraph to provide training and technical assistance, an entity shall have personnel with documented experience related to protection and advocacy services.

(C) APPLICATION.—To be eligible to receive a grant, contract, or cooperative agreement under this paragraph, an eligible applicant shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(D) TRAINING AND TECHNICAL ASSISTANCE EFFORTS.—

(i) TECHNICAL ASSISTANCE EFFORTS.—In awarding the grant, contract, or cooperative agreement, the Secretary shall ensure that the recipient conducts a technical assistance program through which the recipient—

(I) provides advocacy-related and management-related technical assistance;

(II) prepares publications, in numerous formats, on the funding of assistive technology through a variety of funding sources;

(III) makes available, through in-house resource libraries, documents related to the funding of assistive technology;

(IV) maintains a project website containing information concerning the funding of assistive technology, and containing publications and links to other web-based resources to support assistive technology advocacy efforts; and

(V) maintains a national assistive technology list serve.

(ii) TRAINING EFFORTS.—In awarding the grant, contract, or cooperative agreement, the Secretary shall ensure that the recipient conducts a training program through which the recipient—

(I) provides advocacy-related training through annual statewide or regional conferences and distance-training events; and

(II) provides management-related training at annual training events, assisting protection and advocacy managers and fiscal officers to meet grant obligations.

(iii) DATA COLLECTION AND REPORTING.—The recipient shall prepare and submit to the Secretary a report containing information on the activities carried out under this paragraph, including information on the following:

(I) Non-case services.

(II) Case services.

(III) Statistical information for individuals served.

(IV) Systemic activities and litigation.

(V) Priorities and objectives.

(VI) Agency administration.

(c) NATIONAL INFORMATION INTERNET SYSTEM.—

(1) IN GENERAL.—In order to provide information nationally on the availability of assistive technology, the Secretary may award 1 grant, contract, or cooperative agreement on a competitive basis to maintain, renovate, and update the National Public Internet Site established under section 104(c)(1) of the Assistive Technology Act of 1998 (29 U.S.C. 3014(c)(1)), as in effect on the date of enactment of this Act.

(2) ELIGIBLE ENTITY.—To be eligible to receive a grant, contract, or cooperative agreement under paragraph (1), an entity shall be a nonprofit organization, for-profit organization, or institution of higher education, that—

(A) emphasizes research and engineering;

(B) has a multidisciplinary research center; and

(C) has demonstrated expertise in—

(i) working with assistive technology, accessible information technology and telecommunications, and intelligent agent interactive information dissemination systems;

(ii) managing libraries of assistive technology, accessible information technology and telecommunications, and disability-related resources;

(iii) delivering to individuals with disabilities education, information, and referral services, including technology-based curriculum-development services for adults with low-level reading skills;

(iv) developing cooperative partnerships with the private sector, particularly with private-sector computer software, hardware, and Internet services entities; and

(v) developing and designing advanced Internet sites.

(3) APPLICATION.—To be eligible to receive a grant, contract, or cooperative agreement under this section, an eligible applicant shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(4) NATIONAL PUBLIC INTERNET SITE.—

(A) FEATURES OF INTERNET SITE.—The National Public Internet Site shall contain the following features:

(i) AVAILABILITY OF INFORMATION AT ANY TIME.—The site shall be designed so that any member of the public may obtain information posted on the site at any time.

(ii) INNOVATIVE AUTOMATED INTELLIGENT AGENT.—The site shall be constructed with an innovative automated intelligent agent that is a diagnostic tool for assisting users in problem definition and the selection of appropriate assistive technology devices and assistive technology services resources and accessible information technology and telecommunications.

(iii) RESOURCES.—

(I) LIBRARY ON ASSISTIVE TECHNOLOGY.—The site shall include access to a comprehensive working library on assistive technology and accessible information technology and telecommunications for all environments, including home, workplace, transportation, and other environments.

(II) INFORMATION ON ACCOMMODATING INDIVIDUALS WITH DISABILITIES.—The site shall include access to evidence-based research and best practices concerning how assistive technology and accessible information technology and telecommunications can be used to accommodate individuals with disabilities in the areas of education, employment, health care, community living, and telecommunications and information technology.

(III) RESOURCES FOR A NUMBER OF DISABILITIES.—The site shall include resources relating to the largest possible number of disabilities, including resources relating to low-level reading skills and cognitive disabilities.

(iv) LINKS TO PRIVATE-SECTOR RESOURCES AND INFORMATION.—To the extent feasible, the site shall be linked to relevant private-sector resources and information, under agreements developed between the recipient of the grant, contract, or cooperative agreement and cooperating private-sector entities.

(v) LINKS TO PUBLIC-SECTOR RESOURCES AND INFORMATION.—To the extent feasible, the site shall be linked to relevant public-sector resources and information, such as the Internet sites of the Office of Special Education and Rehabilitation Services of the Department of Education, the Office of Disability Employment Policy of the Department of Labor, the Small Business Administration, the Architectural and Transportation Barriers Compliance Board, and the Technology Administration of the Department of Commerce, the accessible website described in subsection (b)(1)(D)(ii)(V), the Jobs Accommodation Network funded by the Office of Disability Employment Policy of the Department of Labor, and other relevant sites.

(B) MINIMUM LIBRARY COMPONENTS.—At a minimum, the National Public Internet Site shall maintain updated information on—

(i) State assistive technology program demonstration sites where individuals may try out assistive technology devices;

(ii) State assistive technology program device loan program sites where individuals may borrow assistive technology devices;

(iii) State assistive technology program device re-utilization program sites;

(iv) alternative financing programs or systems operated through, or independently of, State assistive technology programs, and other sources of funding for assistive technology devices; and

(v) various tax credits available to employers for hiring or accommodating employees who are individuals with disabilities.

(5) INPUT.—While providing information (including technical assistance) under this subsection, the Secretary and recipient of the grant, contract, or cooperative agreement under this subsection shall consider the input of the directors of State assistive technology programs and other individuals the Secretary determines to be appropriate, especially—

(A) individuals with disabilities who use, and understand the barriers to the acquisition of, assistive technology and accessible information technology and telecommunications;

(B) family members, guardians, advocates, and authorized representatives of such individuals;

(C) relevant employees from other Federal departments and agencies involved in the procurement or development of assistive technology devices, or the provision of assistive technology services;

(D) employers of people with disabilities, especially small business employers; and

(E) venders and public and private researchers and developers.

**SEC. 8. TECHNOLOGY INDUSTRY ASSESSMENT.**

(a) IN GENERAL.—To better promote and serve the United States assistive technology industry, the Secretary may conduct a detailed assessment of the industry. Such assessment shall provide data and analysis

concerning the industry's market, products, and services, for better strategic and business modeling.

(b) CONTENTS.—The Secretary shall ensure that the assessment provides data and analysis including—

(1) data to better assess the industry's potential and provide metrics for future growth;

(2) information addressing strategies and certification practices of international trading partners; and

(3) details about programs within the Department of Commerce that facilitate assistive technology industry export efforts.

(c) CONSULTATION.—The Secretary shall conduct the assessment after consultation with the Under Secretary for Technology of the Department of Commerce members of the assistive technology industry, the Interagency Committee on Disability Research established under section 203 of the Rehabilitation Act of 1973 (29 U.S.C. 763), and other appropriate agencies.

**SEC. 9. ADMINISTRATIVE PROVISIONS.**

(a) GENERAL ADMINISTRATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Commissioner of the Rehabilitation Services Administration in the Office of Special Education and Rehabilitative Services of the Department of Education shall be responsible for the administration of this Act.

(2) COLLABORATION.—The Commissioner of the Rehabilitation Services Administration may make 1 or more grants to, or enter into 1 or more contracts, interagency agreements, or cooperative agreements with, the Director of the Office of Special Education Programs or the National Institute on Disability and Rehabilitation Research in the Office of Special Education and Rehabilitative Services of the Department of Education, the Assistant Secretary for Disability Employment Policy in the Department of Labor, the Under Secretary for Technology in the Department of Commerce, the Administrator of the Small Business Administration, or the head of any other entity approved by the Secretary to assist in the administration of this Act.

(3) ADMINISTRATION.—In administering this Act, the Commissioner of the Rehabilitation Services Administration shall ensure the provision of assistive technology, through comprehensive statewide programs of technology-related assistance, to individuals of all ages, whether the individuals will use the assistive technology to obtain or maintain employment or for other reasons.

(b) REVIEW OF PARTICIPATING ENTITIES.—The Secretary shall assess the extent to which entities that receive grants under this Act are complying with the applicable requirements of this Act and achieving goals that are consistent with the requirements of the grant programs under which the entities received the grants.

(c) CORRECTIVE ACTION AND SANCTIONS.—

(1) CORRECTIVE ACTION.—If the Secretary determines that an entity that receives a grant under this Act fails to substantially comply with the applicable requirements of this Act, the Secretary shall assist the entity, through technical assistance funded under section 7 or other means, within 90 days after such determination, to develop a corrective action plan.

(2) SANCTIONS.—If the entity fails to develop and comply with a corrective action plan described in paragraph (1) during a fiscal year, the entity shall be subject to 1 of the following corrective actions selected by the Secretary:

(A) Partial or complete termination of funding under the grant program.

(B) Ineligibility to participate in the grant program in the following year.

(C) Reduction in funding for the following year under the grant program.

(D) Required redesignation of the lead agency designated under section 4(c)(1).

(3) APPEALS PROCEDURES.—The Secretary shall establish appeals procedures for entities that are determined to be in noncompliance with the applicable requirements of this Act.

(d) CONSTRUCTION.—Nothing in this section shall be construed to affect the enforcement authority of the Secretary, another Federal officer, or a court under part E of the General Education Provisions Act (20 U.S.C. 1234 et seq.) or other applicable law.

(e) EFFECT ON OTHER ASSISTANCE.—This Act may not be construed as authorizing a Federal or State agency to reduce medical or other assistance available, or to alter eligibility for a benefit or service, under any other Federal law.

**SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

(a) STATE GRANTS FOR ASSISTIVE TECHNOLOGY; TRAINING, TECHNICAL ASSISTANCE, DATA-COLLECTION, REPORTING, AND INTERNET PROGRAMS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out sections 4 and 7 $36,000,000 for fiscal year 2005, and such sums as may be necessary for each of fiscal years 2006 through 2010.

(2) TRAINING, TECHNICAL ASSISTANCE, DATA-COLLECTION, REPORTING, AND INTERNET PROGRAMS.—

(A) IN GENERAL.—Of the amount appropriated under this subsection for a fiscal year, not more than $1,235,000 may be made available to carry out section 7.

(B) RESERVATIONS.—Of the amount made available to carry out section 7 for a fiscal year—

(i) not less than 45 percent shall be made available to carry out section 7(b)(1);

(ii) not less than 20 percent shall be made available to carry out section 7(b)(2);

(iii) not less than 15 percent shall be made available to carry out section 7(b)(3); and

(iv) not more than 20 percent shall be made available to carry out section 7(c).

(b) STATE GRANTS FOR PROTECTION AND ADVOCACY SERVICES RELATED TO ASSISTIVE TECHNOLOGY.—There are authorized to be appropriated to carry out section 5 $4,419,000 for fiscal year 2005 and such sums as may be necessary for each of fiscal years 2006 through 2010.

(c) SUPPLEMENTARY GRANTS AND PROJECTS OF NATIONAL SIGNIFICANCE.—There are authorized to be appropriated to carry out section 6 such sums as may be necessary for each of fiscal years 2005 through 2010.

**SEC. 11. REPEAL.**

The Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) is repealed.

Mr. HARKIN. Mr. President, today I join with my colleague from New Hampshire, Senator GREGG, and others to introduce the Assistive Technology Act of 2004.

Assistive technology and accessible information technology and telecommunication are so critical to the lives of people with disabilities. An NOD/Harris poll released today shows that 35 percent of individuals with disabilities surveyed indicated that they would not be able to take care of themselves at home without assistive technology. Over a quarter of individuals with disabilities reported that they would not be able to get around outside of their homes. Assistive technology and accessible information technology and telecommunication also provide opportunities in education, employment and civic and social participation that would not otherwise be available to some individuals with disabilities.

To quote the National Council on Disability—''For Americans without disabilities, technology makes things easier. For Americans with disabilities, technology makes things possible.''

The Assistive Technology Act that we introduce today builds upon the successes of this law, dating back to 1988. The state Assistive Technology programs have been very effective in providing information, training, and technical assistance to a wide array of individuals in their states, including people with disabilities, their families, educators, health care professionals and others. The Assistive Technology Act has also authorized alternate finance programs that have offered low interest loans and other financing to people with disabilities who otherwise could not access the funds needed to buy their assistive technology.

The most recent data available, FY 02, indicates that the programs are making a substantial difference in their states. In that year, there were 92,000 equipment demonstrations provided, 38,000 devices loaned to individuals with disabilities and over 6,000 devices exchanged or recycled. Also over 6 million dollars was loaned to individuals with disabilities so they could purchase assistive technology, ranging from a hearing device to an accessible van. The AT programs also provided needed information to a wide array of individuals, answering 151,000 requests for assistance and training over 172,000 people.

In this reauthorization, we strengthen this successful program and provide authorization for increased appropriations to carry out the many activities that are needed in the states. We emphasize programs that will improve access to assistive technology devices and also increase attention to some federal priorities, including improving education, promoting community integration, and increasing employment opportunities for individuals with disabilities.

While there are many important initiatives in this bill, I will highlight a few of the most significant.

First, the bill authorizes a minimum of $500,000 for each state program and includes an authorization of 36 million dollars in 2005 which would allow each state to receive that minimum. These funds will be used to support all of the activities specified in the law.

The bill also strengthens some of the core functions of the state assistive technology programs, focusing training and technical assistance to ensure statewide access to information and an emphasis on skills development and technical training to improve service planning for individuals with disabilities.

It further requires States focus their efforts on one of three target populations. These populations include 1. elementary and secondary school students, providers and related personnel; 2. adult service provider clients, providers and related personnel; and 3. employees, employment providers, and related personnel.

States will be required to focus their energies on service planning for one of these populations so we can ensure that assistive technology is getting out to where it is needed most—in the schools, on the job and in the community. The Senate has recently passed the Individuals with Disabilities Act and the Workforce Investment Act and we continue to be concerned about implementation of the ADA and the Olmstead decision. This targeted effort aligns the Assistive Technology Act with these other initiatives.

The bill includes provisions designed to increase access to assistive technology and accessible information technology and telecommunications by requiring that assistive technology programs operate equipment loan, device reutilization, device demonstration, and financing systems. The bill also seeks to improve information about service providers and vendors of assistive technology and accessible information technology.

Because individuals with disabilities still experience significantly fewer employment opportunities than individuals without disabilities, the bill places an emphasis on educating and targeting employers and employees. One of the projects of national significance authorized in the bill includes development of public service announcements and other means of reaching employers and others with information regarding assistive technology.

For the first time, the bill addresses the need to coordinate state program activities with the businesses that develop and produce much of the assistive technology and accessible information technology. The bill authorizes a project of national significance in research and development and authorizes the Secretary to conduct a detailed assessment of the assistive technology industry.

The bill also recognizes the ongoing contribution of protection and advocacy services in making assistive technology available to individuals with disabilities and increases minimum authorization levels for this important function. Iowa has had a very successful advocacy program, which will be continued under this bill.

These are just a few of the many significant issues addressed in this bill. It is a very comprehensive effort due to the hard work of the many stakeholders that participated.

I want to thank my colleague, Senator GREGG, and his staff, particularly Aaron Bishop and Annie White, for their work on this bipartisan initiative. I also want to recognize the work of Senators KENNEDY, ROBERTS, REED and WARNER and their staff members, Kent Mitchell, Connie Garner, Jennifer Swenson, Elyse Wasch, Erica Swanson, and John Robinson because this has truly been a collaborative and bipartisan effort to reauthorize this important legislation.

As part of this reauthorization process, committee staff have had extensive bipartisan briefings and met with a very wide array of stakeholders. Stakeholders also participated in work groups designed to forge consensus on many of the issues addressed in this bill. As a result, I believe we have a very strong bill. I want to thank the many individuals with disabilities, family members, assistive technology programs, vendors, members of the information technology industry, the financial and business community, service providers, advocates, educators and others who gave generously of their time and worked so hard on this bill.

This bill continues the tradition of bipartisan cooperation that has marked significant disability legislation. Just as the ADA, IDEA and other bills have been bipartisan, so is this Assistive Technology Act of 2004. I look forward to moving ahead and getting it enacted into law.

Mr. KENNEDY. Mr. President, I am proud to join Senators Gregg and Harkin in the introduction of the Assistive Technology Act of 2004, which will continue and expand our Nation's promise to improve access to assistive technology for individuals in every State and territory.

In the Senate we are dedicated to breaking down barriers to equal education, to employment opportunities and to quality and affordable health care. Assistive technology enables people with disabilities to break down the physical and other barriers which prevent them from reaching their full potential.

For an individual with difficulty communicating, a hand-writing aid or a communication board can open up a whole new world of relationships. A wheelchair or scooter can give them the freedom to engage in activities otherwise impossible. And switches and other devices can transform their home into an accessible environment and allow them to perform daily household tasks essential to independent living.

Since 1988, the Assistive Technology Act has funded projects in every State and territory to raise awareness about the enormous potential of assistive technology, give individuals an opportunity to test products, and connect them with low-cost options for purchasing technology. Each project has a different focus, but all are providing these core services, and providing them well.

In Massachusetts, the Massachusetts Assistive Technology Project trains individuals with disabilities to be self-advocates. They monitor implementation of State and Federal laws. And they operate an Equipment Exchange Trading Post for individuals to exchange or sell assistive technology products. This is just a small sample of what they are doing. They deserve great credit, and so do the other projects across the nation.

The Assistive Technology Act of 2004 makes a commitment to continue these projects. It asks them to perform device demonstrations, equipment loans, device refurbishment, and provide financing systems such as low-cost loan programs. It mandates a new focus on training local personnel who work every day with people with disabilities in adult service provider settings, in schools, and in employment settings. It gives States the flexibility to which populations to focus on, but asks that they work to make the promise of the Individuals with Disabilities Education Act, the Workforce Investment Act, and the Olmstead decision a reality.

I know they are up to the challenge, and I will work to ensure they have the resources to make it happen. To that end, the act authorizes additional resources and sets a higher minimum appropriation of $500,000 for each State project. It is vital that any final legislation include this recognition that these life-changing services need real resources.

I commend Senators GREGG, HARKIN, and REED for their hard work on this legislation. I also commend all of the disability advocates, organizations and project directors who informed this legislation. I look forward to working with them and my colleagues in the House of Representatives to get a bill signed into law this year.

Mr. REED. Mr. President, I rise as an original cosponsor of the Improving Access to Assistive Technology for Individuals with Disabilities Act of 2004. This important legislation reauthorizes the Assistive Technology, AT, Act, which helps States strengthen their capacity to address the assistive technology needs of individuals with disabilities and supports loan and device demonstration programs, for six years.

This legislation improves current law in several ways which will help individuals with disabilities gain access to the assistive technology devices and services that will help them lead full and productive lives. Importantly, the legislation removes the sunset provision included in the last reauthorization and increases the minimum State allotment to $500,000, ensuring that all States can continue this vital work. Assistive technology devices and services are increasingly necessary, particularly as our population ages and for soldiers returning from battle with injuries that used to be life ending.

I am particularly pleased that this legislation contains language I sought to address areas of need that I heard from assistive technology users, providers, advocates, and administrators in my State of Rhode Island. First, the bill enhances training activities to improve the capacity of local education,

early intervention, adult providers, and employers to assess, implement, and integrate AT devices. Secondly, funding is authorized for inventing and developing new AT devices and adapting, maintaining, servicing, and improving existing AT devices. Finally, the bill makes great strides to promote interagency coordination and collaboration to effectively deliver assistive technology devices and services.

I want to thank Senators GREGG, KENNEDY, and HARKIN for working so closely with me and my staff on this bill. It is my hope that we will be able to maintain this same cooperative, bipartisan spirit in which this bill was crafted as the reauthorization process moves forward.

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By Mr. SCHUMER (for himself, Ms. MIKULSKI, Mr. CORZINE, Mrs. CLINTON, Mr. LEAHY, Ms. STABENOW, Mr. SARBANES, and Mr. NELSON of Florida)

S. 2597. A bill to require the Secretary of Health and Human Services to establish and maintain an Internet website that is designed to allow consumers to compare the usual and customary prices for covered outpatient drugs sold by retail pharmacies that participate in the medicaid program for each postal Zip Code, and for other purposes; to the Committee on Finance.

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

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

S. 2597

*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 ''Prescription Drug Price Comparison for Savings Act of 2004''.

**SEC. 2. FINDINGS.**

Congress makes the following findings:

(1) Access to prescription drugs is important to all Americans.

(2) Many individuals cannot afford to purchase the drugs prescribed by their doctors. Others skip doses or split pills contrary to their doctor's orders because they cannot afford to refill their prescriptions.

(3) Individuals who use their limited financial resources to obtain needed drugs may do so by foregoing other expenditures important to their health and well-being.

(4) Among the objectives of the medicaid program set forth in section 1901 of the Social Security Act (42 U.S.C. 1396) is the objective to enable each State to furnish services to help low-income families and aged, blind, or disabled individuals ''attain or retain capability for independence or self-care''.

(5) Some States, such as Maryland, have established interactive Internet websites that use the usual and customary price information reported by pharmacies participating in the State's medicaid program to allow all residents of the State to comparison shop for prescription drugs.

(6) Requiring all States to collect from pharmacies that participate in the medicaid program the usual and customary price for prescription drugs sold by the pharmacies and to report that information to the Secretary of Health and Human Services in order that a national, interactive Internet website may be established and maintained for individuals to use to comparison shop for prescription drugs is consistent with the objectives of the medicaid program.

**SEC. 3. STATE PLAN REQUIREMENT TO COLLECT AND REPORT USUAL AND CUSTOMARY PRICES FOR COVERED OUTPATIENT DRUGS SOLD UNDER THE MEDICAID PROGRAM.**

Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (66), by striking ''and'' at the end;

(2) in paragraph (67), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (67), the following:

''(68) provide that the State shall—

''(A) require each retail pharmacy which receives payments under the plan to report to the State concurrent with the filling of a prescription for a covered outpatient drug (as defined in section 1927(k)(2)) for an individual receiving medical assistance under this title—

''(i) the usual and customary price (as defined in section 1927(k)(10)) for the strength, quantity, and dosage form of the covered outpatient drug, as of the date the prescription is filled; and

''(ii) the postal Zip Code in which the retail pharmacy is located; and

''(B) submit the information reported under subparagraph (A) to the Secretary on such frequent basis as the Secretary shall require so as to allow for monthly updates of the information posted on the Internet website required to be established under section 5 of the Prescription Drug Price Comparison for Savings Act of 2004.''.

**SEC. 4. USUAL AND CUSTOMARY PRICES FOR COVERED OUTPATIENT DRUGS.**

(a) DEFINITION.—Section 1927(k) of the Social Security Act (42 U.S.C. 1396r–8(k)) is amended by adding at the end the following:

''(10) USUAL AND CUSTOMARY PRICE.—The term 'usual and customary price' means the price a retail pharmacy would charge an individual who does not have health insurance coverage for purchasing a specific strength, quantity, and dosage form of a covered outpatient drug.''.

(b) INCLUSION OF INFORMATION IN ANNUAL REPORT TO CONGRESS.—Section 1927(i)(2)(E) of the Social Security Act (42 U.S.C. 1396r–8(i)(2)(E)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D), the following:

''(E) the range of usual and customary prices for specific strengths, quantities, and dosage forms of covered outpatient drugs, disaggregated by postal Zip Code;''.

**SEC. 5. REQUIREMENT TO ESTABLISH AND MAINTAIN PRESCRIPTION DRUG PRICE COMPARISON WEBSITE.**

(a) AUTHORITY.—Not later than 6 months after the date of enactment of this Act, the Secretary shall establish and arrange for the maintenance of an Internet website that is designed to allow an individual to compare the usual and customary prices for a range of strengths and quantities of covered outpatient drugs sold by retail pharmacies that receive payments under the medicaid program for each postal Zip Code that corresponds to an area of a State.

(b) REQUIREMENTS.—The Internet website required to be established and maintained under this section shall consist of—

(1) the information submitted to the Secretary in accordance with section 1902(a)(68)(B) of the Social Security Act (42 U.S.C. 1396a(a)(68)(B)) (as added by section 3(a)(3)); and

(2) such other information as the Secretary determines is appropriate.

(c) DEFINITIONS.—In this section:

(1) COVERED OUTPATIENT DRUG.—The term ''covered outpatient drug'' has the meaning given that term in section 1927(k)(2) of the Social Security Act (42 U.S.C. 1396r–8(k)(2)).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(3) STATE.—The term ''State'' has the meaning given that term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

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By Mr. AKAKA (for himself, Mr. LAUTENBERG, Mr. LEVIN, Mrs. FEINSTEIN, Mr. WYDEN, and Mr. INOUYE):

S.2598. A bill to protect, conserve, and restore public land administered by the Department of the Interior or the Forest Service and adjacent land through cooperative cost-shared grants to control and mitigate the spread of invasive species, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. AKAKA. Mr. President, I rise today to introduce the Public Land Protection and Conservation Act of 2004. I am pleased to have my esteemed colleagues Senator FRANK LAUTENBERG, Senator CARL LEVIN, Senator DIANNE FEINSTEIN, Senator DANIEL INOUYE, and Senator RON WYDEN cosponsoring the bill with me. This legislation encourages Federal, State, and local agencies, non-governmental entities, and Indian tribes to work together through a cost-shared, cooperative grant program to control the spread of terrestrial invasive species. The bill authorizes the Secretary of the Interior to provide state assessment grants to inventory and prioritize invasive species problems. It provides additional grants to control invasive species on Federal land or adjacent areas. And most importantly, it provides rapid response funds for states to eradicate serious new outbreaks.

Invasive species cause devastating environmental, human health, and economic consequences throughout the Nation and world. They are responsible for damage to native ecosystems and vital industries, such as agriculture, fisheries, and ranching. The impacts of invasive species are estimated to cost the United States at least $100 billion each year. Invasive species threaten the existence of 42 percent of threatened and endangered species in the United States, and this is an issue that must be confronted.

The implications of the nationwide invasive species problem are enormous. Nowhere, however, are the impacts greater than in my home State of Hawaii, which has always been known for its biodiversity. Approximately 11,000 species are believed to have evolved from roughly 20,000 ancestors that successfully colonized at a rate of one every 35,000 years. Today, 20 to 50 new nonnative species arrive in Hawaii every year.

In total, unwanted alien pests are entering Hawaii at a rate that is about

two million times more rapid than the natural rate. Nonnative, invasive species comprise roughly 20 percent of the plants and animals in Hawaii. Invasive species are the number one cause of the decline of Hawaii's threatened and endangered species. This is a serious concern because Hawaii has more than 10,000 species found nowhere else on Earth. Of the 114 endangered species that have become extinct in the first 20 years of the Endangered Species Act, almost one-half were in Hawaii. The fragility of our native species is compounded by the fact that most introduced species have no natural predators in the state.

Let me give you just a few examples of invasive species problems in Hawaii. Control efforts for the Formosan ground termite are estimated to cost residents in Hawaii more than $150 million per year. Damage to our agricultural industry and the related control costs of the Mediterranean fruit fly are more than $450 million annually. Native birds in our rainforests are succumbing to malaria spread through introduced mosquitos.

Coqui frogs, accidentally imported on plants to Hawaii, can reach densities of 8,000 frogs per acre. Each one can produce a call at 90 decibels. The noise from 8,000 frogs at 90 decibels is equivalent to listening to a high-pitched jackhammer all night! Infestations of frogs are lowering property values and threatening Hawaii's export floriculture and nursery industries. Coqui frogs also consume more than 48,000 prey items per acre per night, depleting the food supply for threatened and endangered birds and spiders. Miconia, an invasive tree infesting over 15,000 acres of rainforest in Hawaii, eliminates the habitat of endangered plants and animals and causes serious erosion problems that threaten the water supply.

Miconia has overwhelmed all other species on these mountainsides. Miconia, like many invasives, is a major threat to native biodiversity.

The brown tree snake has invaded Guam and devastated native bird populations there. If it were to become established in Hawaii, economic costs have been estimated to exceed hundreds of millions of dollars.

Agriculture in Hawaii is threatened by the spread of the red imported fire ant, a serious problem in 14 southern states causing over $2 billion in annual damage. As you can see, the time to address the issue of invasive species is now, before there are even more serious problems.

My bill, the Public Land Protection and Conservation Act, authorizes the Secretary of the Interior to provide grants to states, nonprofit, and tribal entities to assess, control, and eradicate invasive species. There are three types of grants in this bill, one of which requires matching funds.

First, this legislation provides grants to states for assessment projects to identify, quantify, and prioritize invasive species threats. This step is a critical underpinning for invasives programs, but many states do not have the resources to carry out this assessment.

Second, the control grants supply appropriate public or private entities or Indian tribes with funding to carry out, in partnership with a Federal agency, an eradication, containment, or management project on Federal land or adjacent land. Control projects would receive a higher ranking for funding based on shared priorities in state and Federal plans, the extensiveness or severity of the invasive species impacts in a state, and whether the project fosters results through public-private partnerships, among other criteria.

Control grants are cost-shared with states. A maximum of 75 percent of funding shall be federally provided for control projects on adjacent land, with the exception of pilot or demonstration projects, or projects that conserve threatened or endangered species, which shall receive 85 percent federal funding. The Federal share of control projects carried out on Federal land shall be 100 percent.

Finally, rapid response funds, designated for States facing new outbreaks of invasive species, will provide timely resources to eradicate these organisms before they gain a foothold. Rapid response funds are critical to States in order to combat newly identified invasives.

The impacts of invasive species are already costing the United States an estimated $100 billion each year. The Department of the Interior, in its FY 2005 budget request acknowledges that invasive species pose an enormous threat to the ecological and economic health of the Nation. The Department states that the economic costs associated with invasive species are enormous already, and increasing. The Department of the Interior and U.S. Forest Service together received approximately $126 million in FY 2004, and the combined FY 2005 request is identical. Although I applaud the current efforts of the Department of the Interior and the U.S. Forest Service, we need a more coordinated attack on invasive species. The attack must have robust funding if we are to work in partnership with the states.

An estimated 5,000 to 6,000 invasive species are established in the United States. With 73 percent of the continental United States held in private lands, our Federal lands will not be adequately protected without public-private partnerships because invasive species know no boundaries.

My bill requires coordination between the National Invasive Species Council, the Department of the Interior, the U.S. Department of Agriculture, and state invasive species councils and plans. It provides the support necessary for agencies, organizations, and individuals to implement cooperative projects to address new threats and long-standing invasive species problems.

I am particularly pleased that the State of Hawaii is taking a leadership role in addressing invasive species problems as our State is intimately familiar with the serious impacts. Hawaii's Department of Land and Natural Resources, the State government, and each county's Invasive Species Councils are committed to a proactive approach to preserve the environmental heritage and economic security of our communities for generations to come. Each of these Councils now coordinates their activities on the State level through the formation of the Hawaii Invasive Species Council in 2003.

In addition to the Council, many public and private partnerships have been formed to protect our common natural resources. The East Maui Watershed Partnership brings together multiple public and private landowners and the County of Maui to control invasive species and protect 100,000 acres of our prime watershed areas. This is just one example of many highly successful and dedicated partnerships in Hawaii working to preserve our invaluable resources.

This legislation is supported by the State of Hawaii's Department of Land and Natural Resources, which has primary responsibility for land use, forests, wildlife and oceans. In his letter of support, the Chairperson of the DLNR, Mr. Peter Young, states that ''Increasing success in invasive species projects in Hawaii has come largely from the formation of strong partnerships between State, County and Federal agencies and private groups.'' The intent of this bill is to encourage partnerships like the East Maui Watershed Partnership and the Hawaii Invasives Species Council in their fight against invasives.

Most recently, the Hawaii State Legislature allocated $4 million of the $5 million requested by Governor Linda Lingle to support the Invasive Species Prevention and Control program. This request is part of the overall state proposal to earmark $20 million over the next four years. These actions demonstrate Hawaii's commitment to the problem. This money, however, is clearly not sufficient to control the nonnative species in Hawaii.

Despite their best efforts to reduce the devastation caused by invasive species, states lack the needed funds to adequately address this issue. The General Accounting Office (GAO) issued a report on September 5, 2003, documenting gaps and barriers in Federal invasive species legislation. The number one barrier identified in the report was insufficient Federal funding for state efforts to control invasive species. Another barrier identified was the inadequate amount of general information and research on invasive species. My legislation will provide States the desperately needed funding to start a serious battle against invasive species.

The GAO report also recommended authorizing the National Invasive Species Council as the most effective leadership structure for managing invasive species. I applaud Senators LEVIN and

DEWINE for addressing this issue in legislation they have introduced during the 108th Congress, the National Aquatic Invasive Species Act of 2003. I am a cosponsor of their bill, S. 525, because aquatic invasives are important in Hawaii. I am also a cosponsor of Senator LARRY CRAIG's Noxious Weed Control Act of 2003, S. 144, that focuses on terrestrial weeds. My bill, the Public Land Protection and Conservation Act of 2004, will fill a needed gap by addressing all invasive organisms, flora and fauna, in and around federal lands through public-private partnerships.

The National Environmental Coalition on Invasive Species, a coalition of representatives from major environmental organizations, has extended its full support for this legislation. Its letter of support calls this bill ''one of the best legislative proposals to date to deal with the growing threat that invasive species pose to our nation's ecological and economic health.'' The bill is also supported by The Conservation Council of Hawaii, the National Wildlife Federation affiliate in Hawaii. I greatly appreciate their endorsements.

Lastly, I want to acknowledge my colleague in the House, Representative NICK RAHALL, for recognizing the gaps in national legislation for controlling and eradicating invasive species on Federal and adjacent lands through cooperative grants. He introduced H.R. 2310, the Species Protection and Conservation of the Environment Act, on June 3, 2003. His legislation provided a solid blueprint that inspired my bill, and I am eager to join him in the eradication of invasive species on Federal and adjacent lands.

There are increasingly severe problems and economic burdens associated with invasive species in our nation. Federal support to states to combat this problem at the ground level is crucial. If ever there was a time to commit to defending the security of our domestic resources for the future, it is now.

I ask unanimous consent that 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. 2598

*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 ''Public Land Protection and Conservation Act of 2004''.

**SEC. 2. PURPOSE.**

The purpose of this Act is to encourage partnerships among Federal, State, and local agencies, nongovernmental entities, and Indian tribes to protect, enhance, restore, and manage public land and adjacent land through the control of invasive species by—

(1) promoting the development of voluntary State assessments to establish priorities for controlling invasive species;

(2) promoting greater cooperation among Federal, State, and local land and water managers and owners of private land or other interests to implement strategies to control and mitigate the spread of invasive species through a voluntary and incentive-based financial assistance grant program;

(3) establishing a rapid response capability to combat incipient invasive species invasions; and

(4) modifying the requirements applicable to the National Invasive Species Council.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) CONTROL.—The term ''control'' means—

(A) eradicating, suppressing, reducing, or managing invasive species in areas in which the species are present;

(B) taking steps to detect early infestations of invasive species on Public land and adjacent land that is at risk of being infested; and

(C) restoring native ecosystems to reverse or reduce the impacts of invasive species.

(2) COUNCIL.—The term ''Council'' means the National Invasive Species Council established by section 3 of Executive Order No. 13112 (64 Fed. Reg. 6184).

(3) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(4) INVASIVE SPECIES.—The term ''invasive species'' means, with respect to a particular ecosystem, any animal, plant, or other organism (including biological material of the animal, plant, or other organism that is capable of propagating the species)—

(A) that is not native to the ecosystem; and

(B) the introduction of which causes or is likely to cause economic harm, environmental harm, or harm to human health.

(5) NATIONAL MANAGEMENT PLAN.—The term ''National Management Plan'' means the management plan referred to in section 5 of Executive Order No. 13112 (64 Fed. Reg. 6185) and entitled ''Meeting the Invasive Species Challenge''.

(6) PUBLIC LAND.—The term ''Public land'' means all land and water that is—

(A) owned by, or under the jurisdiction of, the United States; and

(B) administered by the Department of the Interior or the Forest Service.

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

(8) STATE.—The term ''State'' means—

(A) a State of the United States;

(B) the District of Columbia;

(C) the Commonwealths of Puerto Rico and the Northern Mariana Islands;

(D) the Territories of American Samoa, Guam, and the Virgin Islands;

(E) the Federated States of Micronesia;

(F) the Republic of the Marshall Islands; and

(G) the Republic of Palau.

**SEC. 4. NATIVE HERITAGE ASSESSMENT AND CONTROL GRANT PROGRAM.**

(a) ASSESSMENT GRANTS.—The Secretary may provide to a State a grant to carry out an assessment project consistent with relevant invasive species management plans of the State to—

(1) identify invasive species that occur in the State;

(2) survey the extent of invasive species in the State;

(3) assess the needs to restore, manage, or enhance native ecosystems in the State;

(4) identify priorities for actions to address those needs;

(5) incorporate, as applicable, the guidelines of the National Management Plan; and

(6) identify methods to—

(A) control or detect incipient infestations of invasive species in the State; or

(B) control or assess established populations of invasive species in the State.

(b) CONTROL GRANTS.—

(1) IN GENERAL.—The Secretary may provide grants to appropriate public or private entities and Indian tribes to carry out, in partnership with a Federal agency, control projects for the management or eradication of invasive species on Public land or adjacent land that—

(A) include plans for—

(i) monitoring the project areas; and

(ii) maintaining effective control of invasive species after the completion of the projects, including through the conduct of restoration activities;

(B) in the case of a project on adjacent land, are carried out with the consent of the owner of the adjacent land; and

(C) provide public notice to, and conduct outreach activities relating to the control projects in, communities in which control projects are carried out.

(2) PRIORITY.—In prioritizing grants for control projects, the Secretary shall consider—

(A) the extent to which a project would address—

(i) the priorities of a State for invasive species control; and

(ii) the priorities for invasive species management on Public land, such as the priorities for management on National Park System and National Forest System land;

(B) the estimated number of, or extent of infestation by, invasive species in the State;

(C) whether a project would encourage increased coordination and cooperation among 1 or more Federal agencies and State or local government agencies to control invasive species;

(D) whether a project—

(i) fosters public-private partnerships; and

(ii) uses Federal resources to encourage increased private sector involvement, including the provision of private funds or in-kind contributions;

(E) the extent to which a project would aid the conservation of species included on Federal or State lists of threatened or endangered species;

(F) whether a project includes pilot testing or a demonstration of an innovative technology that has the potential to improve the cost-effectiveness of controlling invasive species; and

(G) the extent to which a project—

(i) considers the potential for unintended consequences of control methods on native species; and

(ii) includes contingency measures to address the unintended consequences.

(c) DUTIES OF THE SECRETARY.—The Secretary shall—

(1) not later than 180 days after the date on which funds are made available to carry out this Act, publish guidelines and solicit applications for grants under this section;

(2) not later than 1 year after the date on which funds are made available to carry out this Act, evaluate and approve or disapprove applications for grants submitted under this section;

(3) consult with the Council on—

(A) any projects proposed for grants under this section, including the priority of proposed projects for the grants; and

(B) providing a definition of the term ''adjacent land'' for purposes of the control grant program under subsection (b);

(4) consult with the advisory committee established under section 3(b) of Executive Order No. 13112 (64 Fed. Reg. 6184) on projects proposed for a grant under this section, including the scientific merit, technical merit, and feasibility of a proposed project; and

(5) if a project is conducted on National Forest System land, consult with the Secretary of Agriculture.

(d) GRANT DURATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), a grant under this section shall provide funding for the Federal share of the cost of a project for not more than 2 fiscal years.

(2) RENEWAL OF CONTROL PROJECTS.—

(A) IN GENERAL.—If the Secretary, after reviewing the reports submitted under subsection (f) with respect to a control project, finds that the project is making satisfactory progress, the Secretary may renew a grant under this section for an additional 3 fiscal years.

(B) IMPLEMENTATION OF MONITORING AND MAINTENANCE PLAN.—The Secretary may renew a grant under this section to implement the monitoring and maintenance plan required for a control project under subsection (b) for not more than 10 years after the project is otherwise complete.

(e) DISTRIBUTION OF CONTROL GRANT AWARDS.—In making grants for control projects under subsection (b), the Secretary shall, to the maximum extent practicable, ensure that—

(1) at least 50 percent of control project funds are spent on land adjacent to Public land; and

(2) there is a balance of smaller and larger control projects conducted with grants under that subsection.

(f) REPORTING BY GRANT RECIPIENT.—

(1) ASSESSMENT PROJECTS.—Not later than 2 years after the date on which a grant is provided under subsection (a), a grant recipient carrying out an assessment project shall submit to the Secretary and the Governor of the State in which the assessment project is carried out a report on the assessment project.

(2) CONTROL PROJECTS.—A grant recipient carrying out a control project under subsection (b) shall submit to the Secretary—

(A) an annual synopsis of the control project; and

(B) a report on the control project not later than the earlier of—

(i) at least once every 2 years; or

(ii) the date on which the grant expires.

(3) CONTENTS.—A report submitted under this subsection shall include—

(A) a detailed accounting of—

(i) the funding made available for the project; and

(ii) any expenditures made for the project; and

(B) with respect to a control project—

(i) a chronological list of any progress made with respect to the project;

(ii) specific information on the methods and techniques used to control invasive species in the project area;

(iii) trends in the population size and distribution of invasive species in the project area; and

(iv) the number of acres of the native ecosystem protected or restored.

(g) COST-SHARING REQUIREMENT.—

(1) PROJECTS ON ADJACENT LAND.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share of the cost of a control project carried out on adjacent land shall be not more than 75 percent.

(B) CERTAIN CONTROL PROJECTS.—The Federal share of a control project carried out on adjacent land that uses pilot testing, demonstrates an innovative technology, or provides for the conservation of threatened or endangered species shall be 85 percent.

(2) PROJECTS ON PUBLIC LAND.—The Federal share of the cost of the portion of a control project that is carried out on Public land shall be 100 percent.

(3) APPLICATION OF IN-KIND CONTRIBUTIONS.—The Secretary may apply to the non-Federal share of the costs of a control project the fair market value of services or any other form of in-kind contribution to the project made by a non-Federal entity.

(4) DERIVATION OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a control project carried out with a grant under this section may not be derived from a Federal grant program or other Federal funds.

(h) REPORTING BY SECRETARY.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act and every 2 years thereafter, the Secretary shall submit to Congress a report that—

(A) describes the implementation of this section; and

(B) includes a determination whether the grants authorized under subsections (a) and (b) should be expanded to land and water that are owned and administered by Federal agencies other than the Department of the Interior or the Forest Service.

(2) CONTENTS.—A report under paragraph (1) shall include a review of control projects, including—

(A) a list of control projects selected, in progress, and completed;

(B) an assessment of project impacts, including—

(i) areas treated; and

(ii)(I) if feasible, a measurement of invasive species eradicated; or

(II) an estimate of the extent to which invasive species have been reduced or contained;

(C) the success and failure of control techniques used;

(D) an accounting of expenditures by Federal, State, regional, and local government agencies and other entities to carry out the projects;

(E) a review of efforts made to maintain an appropriate database of projects assisted under this section; and

(F) a review of the geographical distribution of Federal funds, matching funds, and in-kind contributions provided for projects.

**SEC. 5. RAPID RESPONSE ASSISTANCE.**

(a) IN GENERAL.—The Secretary may provide financial assistance to States, local governments, public or private entities, and Indian tribes for a period of 1 fiscal year to enable States, local governments, nongovernmental entities, and Indian tribes to rapidly respond to outbreaks of invasive species that are at a stage at which rapid eradication or control is possible.

(b) REQUIREMENTS FOR ASSISTANCE.—The Secretary shall—

(1) at the request of the Governor of a State—

(A) provide assistance under this section to the State, a local government, public or private entity, or Indian tribe for the eradication of an immediate invasive species threat in the State if—

(i) there is a demonstrated need for the assistance;

(ii) the invasive species is considered to be an immediate threat to native ecosystems, human health, or the economy, as determined by the Secretary; and

(iii) the proposed response of the State, local government, public or private entity, or Indian tribe to the threat—

(I) is technically feasible; and

(II) minimizes adverse impacts to native ecosystems and non-target species; or

(B) if the requirements under subparagraph (A) are not met, submit to the Governor of the State, not later than 30 days after the date on which the Secretary received the request, written notice that the State is not eligible for assistance under this section;

(2) determine the amount of financial assistance to be provided under this section, subject to the availability of appropriations, with respect to an outbreak of an invasive species;

(3) require that entities receiving assistance under this section monitor and report on activities carried out with such assistance in the same manner that control project grant recipients monitor and report on such activities; and

(4) expedite environmental and regulatory reviews to ensure that an outbreak of invasive species can be addressed within the 180-day period beginning on the date on which the State notifies the Secretary of the outbreak.

**SEC. 6. RELATIONSHIP TO OTHER AUTHORITIES.**

Nothing in this Act affects authorities, responsibilities, obligations, or powers of the Secretary under any other statute.

**SEC. 7. BUDGET CROSSCUT.**

Not later than March 31, 2005, and each year thereafter, the Director of the Office of Management and Budget, in consultation with the Council, shall submit to Congress—

(1) a comprehensive budget analysis and summary of Federal programs relating to invasive species; and

(2) a list of general priorities, ranked in high, medium, and low categories, of Federal efforts and programs in—

(A) prevention;

(B) early detection and rapid response;

(C) eradication, control, management, and restoration;

(D) research and monitoring;

(E) information management; and

(F) public outreach and partnership efforts.

**SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

(a) ASSESSMENT GRANTS.—There are authorized to be appropriated to the Secretary to carry out assessment projects under section 4(a)—

(1) $25,000,000 for fiscal year 2005; and

(2) such sums as are necessary for each of fiscal years 2006 through 2009.

(b) CONTROL GRANTS.—There are authorized to be appropriated to the Secretary to carry out control projects under section 4(b)—

(1) $175,000,000 for fiscal year 2005; and

(2) such sums as are necessary for each of fiscal years 2006 through 2009.

(c) RAPID RESPONSE ASSISTANCE.—There are authorized to be appropriated to the Secretary to carry out section 5—

(1) $50,000,000 for fiscal year 2005; and

(2) such sums as are necessary for each of fiscal years 2006 through 2009.

(d) CONTINUING AVAILABILITY.—Amounts made available under this section shall remain available until expended.

(e) ADMINISTRATIVE EXPENSES OF SECRETARY.—Of amounts made available each fiscal year to carry out this Act, the Secretary may expend not more than 5 percent to pay the administrative expenses necessary to carry out this Act.

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

S. 2599. A bill to strengthen anti-terrorism investigative tools, to enhance prevention and prosecution of terrorist crimes, to combat terrorism financing, to improve border and transportation security, and for other purposes; to the Committee on the Judiciary.

Mr. CHAMBLISS. Mr. President, I rise today to introduce a bill that will facilitate the sharing of information from Federal law enforcement agencies to State and local law enforcement. Right now, existing Federal law authorizes the FBI to obtain certain records and information, such as telephone records, bank records, and consumer credit records, in investigations of terrorist activities. One of the tools

that the FBI uses for this purpose is the National Security Letter (or NSL), which is, in effect, a limited type of administrative subpoena that is directed to the institutions that have these records. The statutes authorizing the use of NSLs generally require that the requested information be relevant to an investigation of international terrorism or clandestine intelligence activities, and these statues prohibit investigations based solely on First Amendment-protected activities of people known under the law as ''United States persons,'' which is a group consisting of U.S. citizens and permanent resident aliens.

Unfortunately, when the FBI receives records or information provided to it in response to NSLs, several different statutes govern the circumstances under which the Bureau may disseminate this information to other agencies. The standards differ from statute to statute—complicating the sharing of the information with other agencies that may need it for counterterrorism purposes—and a number of these provisions curiously are more restrictive about information sharing with other Federal agencies than with non-Federal agencies. The Information Sharing Improvement Act of 2004 (ISIA), which I introduce today along with my good friend from Arizona, JOHN KYL, would amend these statutes to allow the dissemination of information obtained through NSLs in conformity with consistent guidelines developed by the Attorney General.

The Information Sharing Improvement Act also amends a statute that authorizes sharing of national security-related investigative information with relevant Federal, State, and local officials, to make it clear that the statute applies regardless of whether the investigation in which the information was obtained is characterized as a ''criminal'' investigation or a ''national security'' investigation.

Finally, the Information Sharing Improvement Act would restore Homeland Security Act amendments that broaden the sharing of Federal grand jury information concerning threatened terrorist attacks with State and local authorities.

The Information Sharing Improvement Act does not expand the powers of the FBI or Federal prosecutors to acquire records or information, but it will improve their ability to share information—obtained under existing authorities—with Federal, State, and local agencies that need it to protect the public from terrorism.

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By Mrs. CLINTON (for herself, Mr. LEVIN, Mr. DODD, Ms. CANTWELL, Mr. SARBANES, Mr. SCHUMER, Ms. LANDRIEU, Mr. SANTORUM, Mr. LIEBERMAN, Mrs. BOXER, Mr. SPECTER, Mr. ALEXANDER, Ms. STABENOW, Mrs. FEINSTEIN, Mrs. HUTCHISON, Ms. MIKULSKI, Ms. COLLINS, Mr. CORZINE, and Mr. PRYOR):

S. 2600. A bill to direct the Architect of the Capitol to enter into a contract to revise the statue commemorating women's suffrage located in the rotunda of the United States Capitol to include a likeness of Sojourner Truth; to the Committee on Rules and Administration.

Mrs. CLINTON. Mr. President, I rise today to introduce legislation, with strong bi-partisan support, calling for the women's suffrage statue located in the Capitol Rotunda to include a likeness of Sojourner Truth. As many of my colleagues know, in the majestic Capitol Rotunda sits a monument honoring three pioneers of the women's suffrage movement, which led to the women of our great nation being granted the right to vote in 1920.

The monument features the busts of Lucretia Mott, Elizabeth Cady Stanton, and Susan B. Anthony that were sculpted by Adelaide Johnson, who passed away in 1955. As the Architect of the Capitol has noted, the monument was presented to the Capitol as a gift from the women of the United States by the National Women's Party and was accepted on behalf of Congress by the Joint Committee on the Library on February 10, 1921. The unveiling ceremony was held in the Rotunda on February 15, 1921, the 101st anniversary of the birth of Susan B. Anthony, and was attended by representatives of over 70 women's organizations. The Committee authorized the installation of the monument in the Crypt, where it remained until, by act of Congress in 1996, it was relocated to the Capitol Rotunda in May 1997.

In addition to the wonderful busts of Stanton, Mott, and Anthony, one of the interesting features of the monument is the existence of a large slab of stone that was never sculpted. Looking at the monument, it is clear that it was intended for a fourth person—another pioneer of the women's suffrage movement—to be sculpted. The legislation I am introducing today calls for Sojourner Truth to be that person.

Born into slavery as one of the youngest of thirteen children of James and Elizabeth in Hurley, which is in Ulster County, New York, in approximately 1897, Sojourner Truth's given name was Isabella Baumfree. Almost all of her brothers and sisters had been sold to other slave owners. Some of her earliest memories were of her parents' stories of the cruel loss of their other children.

Isabella was sold several times to various slave owners and suffered many hardships under slavery, but throughout her life she maintained a deep and unwavering faith that carried her through many difficult times.

In 1817, the New York State Legislature passed the New York State Emancipation Act, which granted freedom to those enslaved who were born before July 4, 1799. Unfortunately, however, this law declared that many men, women and children could not be freed until July 4, 1827, ten years later. While still enslaved and at the demand of her then owner, John Dumont, Isabella married an older slave named Thomas, with whom she had at least five children—Diane, Peter, Hannah, Elizabeth, and Sophia.

As the date of her release came near—July 4, 1827—she learned that Dumont was plotting to keep her enslaved, even after the Emancipation Act went into effect. For this reason, in 1826, she ran away from the Dumont plantation with her infant child, leaving behind her husband and other children.

She took refuge with a Quaker family—the family of Isaac Van Wagenen—and performed domestic work for them as well as missionary work among the poor of New York City. While working for the Van Wagenen's, she discovered that a member of the Dumont family had sold her youngest son Peter to a plantation owner in Alabama. At the time, New York law prohibited the sale of slaves outside New York State and so the sale of Peter was illegal. Isabella sued in court and won his return. In doing so, she became the first black woman in the United States to take a white man to court and win.

Isabella had always been very spiritual, and soon after being emancipated, she had a vision that affected her profoundly, leading her—as she later described it—to develop a ''perfect trust in God and prayer.'' In 1843, deciding her mission was to preach the word of God, Isabella changed her name to Sojourner Truth—her name for a traveling preacher, one who speaks the truth—and left New York. That summer she traveled throughout New England, calling her own prayer meetings and attending those of others. She preached ''God's truth and plan for salvation.''

After months of travel, she arrived in Northampton, Massachusetts, and joined the Northampton Association for Education and Industry, where she met and worked with abolitionists such as William Lloyd Garrison, Frederick Douglas, and Olive Gilbert.

As we know, during the 1850s, slavery became an especially heated issue in the United States. In 1850, Congress passed the Fugitive Slave Law, which allowed runaway slaves to be arrested and jailed without a jury trial, and in 1857, the Supreme Court ruled in the Dred Scott case that those enslaved had no rights as citizens and that the government could not outlaw slavery in the new territories.

Nevertheless, these extraordinarily difficult times did not stop Sojourner Truth from continuing her mission. Her life story—''The Narrative of Sojourner Truth: A Northern Slave''—written with the help of friend Olive Gilbert, was published in 1850.

While traveling and speaking in states across the country, Sojourner Truth met many women abolitionists and noticed that although women could be part of the leadership in the abolitionist movement, they could neither vote nor hold public office. It was

this realization that led Sojourner to become an outspoken supporter of women's rights.

In 1851, she addressed the Women's Rights Convention in Akron, Ohio, delivering her famous speech ''Ain't I a Woman?'' The applause she received that day has been described as ''deafening.'' From that time on, she became known as a leading advocate for the rights of women. Indeed, she was one of the nineteenth century's most eloquent voices for the cause of anti-slavery and women's rights.

By the mid-1850s, Truth had earned enough money from sales of her popular autobiography to buy land and a house in Battle Creek, Michigan. She continued her lectures, traveling to Ohio, Indiana, Iowa, Illinois, and Wisconsin. When the Civil War erupted in 1861, she visited black troops stationed near Detroit, Michigan, and offered encouragement. After the Emancipation Proclamation of 1863, she worked in Washington as a counselor and educator for those who had been previously enslaved through the Freedman's Relief Association and the Freedmen's Hospital. It was during this time—in October 1864—that she met with President Abraham Lincoln.

Throughout the 1870s, Sojourner Truth continued to speak on behalf of women and African Americans. Failing health, however, soon forced Sojourner to return to her Battle Creek, Michigan home, where she died on November 26, 1883.

This brief recounting of Sojourner Truth's life story only begins to speak of her faith, courage, intelligence, and steadfastness in the face of extraordinary circumstances and volatile times in our Nation's history. Though she could neither read nor write, her eloquence commanded the attention of thousands of Americans, both black and white. It therefore comes as no surprise to learn that among her many friends, admirers and staunch supporters were Frederick Douglass, Amy Post, Olive Gilbert, Parker Pillsbury, Mrs. Francis Gage, Weldell Phillips, Willilam Lloyd Garrison, Laura Haviland, Lucretia Mott, and Susan B. Anthony.

The legislation I am introducing today pays tribute to Sojourner Truth by including her in the portrait monument with three of her fellow leading suffragettes. That is why this legislation has the strong bi-partisan support of so many of my colleagues and of many organizations, including the National Council of Women's Organizations.

I also want to take a moment to say a special thanks of appreciation to Dr. C. Delores Tucker, Chair of the National Congress of Black Women, who is the champion of this legislation and for all African American women, children and families today. I know that with her continued, unwavering support, this legislation will be enacted. I ask all of my colleagues to support it. Thank you.

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. 2600

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

**SECTION 1. FINDINGS.**

Congress finds the following:

(1) Sojourner Truth was a towering figure among the founders of the movement for women's suffrage in the United States, and any monument that accurately represents this important development in our Nation's history should include her.

(2) The statue known as the Portrait Monument, originally presented to Congress in 1920 in honor of the passage of the Nineteenth Amendment guaranteeing women the right to vote and presently exhibited in the rotunda of the Capitol, portrays several early suffragists who were Sojourner Truth's contemporaries, but not Sojourner Truth herself, the only African American among the group.

**SEC. 2. REVISION OF WOMEN'S SUFFRAGE STATUE.**

Not later than the final day on which the One Hundred Ninth Congress is in session, the Architect of the Capitol shall enter into a contract to revise the statue commemorating women's suffrage located in the rotunda of the United States Capitol (commonly known as the ''Portrait Monument'') to include a likeness of Sojourner Truth.

Mr. SPECTER. Mr. President, I have sought recognition to co-sponsor legislation to add the likeness of Sojourner Truth to the statue commemorating women's suffrage located in the rotunda of the United States Capitol.

Sojourner Truth (1797?–1883) was the self-given name of a woman born into slavery. The year of her birth is uncertain, and is usually taken to be 1797. Originally Isabella Van Wagener, she escaped to Canada in 1827.

After New York State had abolished slavery in 1829, she returned and worked as a domestic servant for over a decade, and joined Elijah Pierson in evangelical preaching on street-corners. Later in life she became a noted speaker for both the Abolitionist movement and the women's rights movement. Perhaps one of her most famous speeches was Ain't I A Woman, a short but pointed commentary delivered in 1851 at the Women's Convention in Akron, Ohio.

During the American Civil War, she organized collection of supplies for the Union. In 1850, she worked with Olive Gilbert to produce a biography, the Narrative of Sojourner Truth.

This was a truly amazing woman who endeavored in her time to change the American experience both for her fellow freed slaves as well as women of all races. A courageous woman, Truth not only spoke out against the racial oppression that she had endured throughout her childhood but acted on her beliefs, inspiring men and women of all races with her personal strength, wisdom, and social activism.

Through her courage and perseverance, Sojourner Truth, her contemporaries, and future visionaries have led our nation and the world toward greater freedom and democracy for all. Three of these women—Lucretia Mott, Elizabeth Cady Stanton, and Susan B. Anthony—are already portrayed by the Portrait Monument, which was presented to Congress in 1920 in honor of the passage of the Nineteenth Amendment guaranteeing women the right to vote. Her recognition, as an African-American would be an appropriate, noteworthy addition to the statue.

I am pleased to offer this legislation to finally honor Sojourner Truth in the rotunda of the U.S. Capitol and encourage the retelling of her inspirational story to the American people. This is a long overdue effort and I encourage my colleagues to support this legislation.

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By Mr. LAUTENBERG:

2601. A bill to amend title 37, United States Code, to require the payment of monthly special pay for members of the uniformed services whose service on active duty is extended by a stop-loss order or similar mechanism, and for other purposes; to the Committee on Armed Services.

Mr. LAUTENBERG. Mr. President, I rise today to offer a bill that addresses a critical element of defense funding.

My bill will very simply compensate men and women from all services who will be deployed even after their service agreement has ended.

The so called ''Stop Loss'' policy that will keep over 10,000 troops forcefully conscripted is a direct result of perhaps the most dangerous error the administration made in its planning for the war in Iraq.

The administration gravely miscalculated the military personnel required in the post-invasion stage of the Iraq campaign. It drastically underestimated the challenges of the so called ''Reconstruction Phase'' and instead naively pretended we would be greeted as liberators, with sweets and tea.

The civilian leadership at the Pentagon failed to plan for adequate personnel to ensure the security of Iraq.

But this wasn't just failure by omission. This was a deliberate neglect of expert opinion, which warned the administration that hundreds of troops would be needed to secure a country the size of California. In January 2003, three star General Eric Shinseki told the White House, the Pentagon and the public that 300,000 troops were necessary to execute the war and post-war objectives.

Not only was his expert advice ignored, but he was also fired for offering a dissenting view.

In May 2003, the administration was given a second chance to bolster its troops in Iraq; it could have solicited the support of our major allies—such as Turkey, France, India and others—and NATO and urge a truly international coalition to maintain peace in Iraq.

Unfortunately, the opportunity to bolster our troops through a real multinational coalition was squandered and now it is too late.

In fact, our troop shortage is so dire in Iraq that we are paying non-military private contractors to perform typically military functions in Iraq—everything from serving meals to securing command centers.

We now have over 20,000 private security contractors in Iraq, which is approximately the same number of individuals as the international troops from the United Kingdom, Poland, Thailand, Italy and elsewhere who are in our coalition.

And now, the military is forced to rely on the policy of forcing individuals at the end of their service term to remain with their unit if it is deployed or will be deployed to the combat theaters.

The Pentagon has cleverly borrowed the corporate term ''Stop Loss'' to describe this new policy, which will affect over 10,000 new active duty and national guard and reservists.

I call the policy: ''Going Back on Your Word.'' With the Stop Loss orders, thousands of men and women are being forcibly maintained in the services, just as they were packing their bags and preparing to return home to civilian life.

Stop Loss has an extremely large impact on all troops, but especially impacts the National Guard and Reservists, many of whom have already been deployed much longer than they expected.

These men and women have put jobs and families on hold and now the Pentagon is delaying their return further.

My bill addresses the serious strain that is currently being placed on our young men and women in uniform and their families back home. It requires the Pentagon to reimburse service members $2,000 a month for each month that they are forcibly maintained in the Armed Services, after their term of enlistment has extended.

Critics might claim that this bonus will unfairly reward some troops and not others. But the Army and other services already have instituted many different types of bonus awards that compensate service members above and beyond the base military pay. For example, we routinely give hazardous danger pay and separation pay and recently we've initiated new bonuses for those who enlist as a recruiting tool.

It's only fair that we compensate the troops who have already been fighting on the front lines of our two combat theaters.

These American heroes being sent back to war deserve a $2,000 a month bonus each and every month they are serving.

While the richest among us have been rewarded with tax cuts, the soldiers, sailors, marines, and air men and women and their families are living paycheck to paycheck. This is just one example of how this war is requiring sacrifices from only a small, overburdened segment of American society.

It is not fair and my Military Fairness Act of 2004 will begin to redress the inequity in sacrifice:

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. 2601

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

**SECTION 1. MONTHLY SPECIAL PAY FOR ACTIVE DUTY SERVICE EXTENDED BY STOP-LOSS ORDERS.**

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

**''§ 327. Special pay: active duty service extended by stop-loss order**

''(a) SPECIAL PAY.—A member of the uniformed services entitled to basic pay whose enlistment or period of obligated service is extended, or whose eligibility for retirement is suspended, pursuant to the exercise of an authority referred to in subsection (b) is entitled while on active duty during the period of such extension or suspension to special pay in the amount specified in subsection (c).

''(b) EXTENSION AUTHORITIES.—An authority referred to in this section is an authority for the extension of an enlistment or period of obligated service, or for suspension of eligibility for retirement, of a member of the uniformed services under a provision of law as follows:

''(1) Section 123 of title 10.

''(2) Section 12305 of title 10.

''(3) Any other provision of law (commonly referred to as 'stop-loss authority') authorizing the President to extend an enlistment or period of obligated service, or suspend an eligibility for retirement, of a member of the uniformed services in time of war or of national emergency declared by Congress or the President.

''(c) MONTHLY AMOUNT.—The amount of special pay specified in this subsection is $2,000 per month.

''(d) CONSTRUCTION WITH OTHER PAYS.—Special pay payable under this section is in addition to any other pay payable to members of the uniformed services by law.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''327. Special pay: active duty service extended by stop-loss order.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of March 20, 2003.

(c) FUNDING.—Amounts appropriated or otherwise made available for the Department of Defense for operation and maintenance for fiscal year 2005 shall be available for the payment of special pay under section 327 of title 37, United States Code (as added by subsection (a))—

(1) during fiscal year 2005; and

(2) for the period beginning on the effective date specified in subsection (b) and ending on September 30, 2004.

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By Mr. DODD (for himself and Mr. BENNETT):

S. 2602. A bill to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DODD. Mr. President, I rise today to introduce the District of Columbia and United States Territories Circulating Quarter Dollar Program Act. I am proud to cosponsor this important legislation with my colleague, Sen. ROBERT BENNETT, R–UT.

This legislation will provide the District of Columbia, American Samoa, Guam, Puerto Rico, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands the opportunity to put a design of their choice on the reverse side of a quarter coin. These jurisdictions were inadvertently excluded from the 50 States Quarter Commemorative Coin Program Act, Public Law 105–124, that gave each State the same right in 1997.

As part of the 50 State Quarter Program, over twenty-two billion quarter coins representing 27 states have been minted. All the coins are minted according to the year each State ratified the Constitution of the United States or were admitted into the Union. Although States have appropriate latitude, there are limitations as to what can be used as a design.

According to Public Law 105–124, the Secretary of the Treasury has the final approval of each design. The law gives clear guidance as to what is an acceptable design concept. Suitable design concepts include State landmarks, landscapes, historically significant buildings, symbols of State resources or industries, official State flora and fauna, State icons, and outlines of States. Among the examples of suitable coins already in circulation year New York's Statue of Liberty, Missouri's depiction of Lewis and Clark as they paddled down the Missouri River with the Gateway Arch in the background, and North Carolina's first successful airplane flight.

The District of Columbia has been the unfortunate target of acts of terror, yet citizens of the District have no one who can cast a vote in Congress on policies to protect their security. Citizens of Washington, D.C., pay income taxes just like every other American. In fact on a per capita basis, District residents have the second highest Federal tax obligation. And yet they have absolutely no say in how high those taxes will be or how their tax dollars will be spent.

This legislation is a reminder of the importance of including all Americans in the symbols of American citizenship. The residents of the District are American citizens, despite their lack of voting representation in the Congress.

I believe that the least that we can do is allow the residents of the District of Columbia, as citizens of the United States, to commemorate the symbols of their own jurisdiction.

The 50 States Commemorative Coin Program Act of 1997 states that ''Congress finds that it is appropriate and timely to honor the unique Federal Republic of 50 States that comprise the United States; and to promote the diffusion of knowledge among the youth

of the United States about the individual states, their history and geography, and the rich diversity of the national heritage'' and to encourage ''young people and their families to collect memorable tokens of all of the States for the face value of the coins.''

I believe that it is of significant importance to America's youth to better understand and honor the rich, vibrant history of our nation's capital and territories, as well as that of our states. I urge my colleagues to support this meaningful 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. 2602

*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 ''District of Columbia and United States Territories Circulating Quarter Dollar Program Act''.

**SEC. 2. ISSUANCE OF REDESIGNED QUARTER DOLLARS HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.**

Section 5112 of title 31, United States Code, is amended by inserting after subsection (m) the following new subsection:

''(n) REDESIGN AND ISSUANCE OF CIRCULATING QUARTER DOLLAR HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.—

''(1) REDESIGN IN 2009.—

''(A) IN GENERAL.—Notwithstanding the fourth sentence of subsection (d)(1) and subsection (d)(2) and subject to paragraph (6)(B), quarter dollar coins issued during 2009 shall have designs on the reverse side selected in accordance with this subsection which are emblematic of the District of Columbia and the territories.

''(B) FLEXIBILITY WITH REGARD TO PLACEMENT OF INSCRIPTIONS.—Notwithstanding subsection (d)(1), the Secretary may select a design for quarter dollars issued during 2009 in which—

''(i) the inscription described in the second sentence of subsection (d)(1) appears on the reverse side of any such quarter dollars; and

''(ii) any inscription described in the third sentence of subsection (d)(1) or the designation of the value of the coin appears on the obverse side of any such quarter dollars.

''(2) SINGLE DISTRICT OR TERRITORY DESIGN.—The design on the reverse side of each quarter dollar issued during 2009 shall be emblematic of one of the following: The District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

''(3) SELECTION OF DESIGN.—

''(A) IN GENERAL.—Each of the 6 designs required under this subsection for quarter dollars shall be—

''(i) selected by the Secretary after consultation with—

''(I) the chief executive of the District of Columbia or the territory being honored, or such other officials or group as the chief executive officer of the District of Columbia or the territory may designate for such purpose; and

''(II) the Commission of Fine Arts; and

''(ii) reviewed by the Citizens Coinage Advisory Committee.

''(B) SELECTION AND APPROVAL PROCESS.—Designs for quarter dollars may be submitted in accordance with the design selection and approval process developed by the Secretary in the sole discretion of the Secretary.

''(C) PARTICIPATION.—The Secretary may include participation by District of Columbia or territorial officials, artists from the District of Columbia or the territory, engravers of the United States Mint, and members of the general public.

''(D) STANDARDS.—Because it is important that the Nation's coinage and currency bear dignified designs of which the citizens of the United States can be proud, the Secretary shall not select any frivolous or inappropriate design for any quarter dollar minted under this subsection.

''(E) PROHIBITION ON CERTAIN REPRESENTATIONS.—No head and shoulders portrait or bust of any person, living or dead, and no portrait of a living person may be included in the design of any quarter dollar under this subsection.

''(4) TREATMENT AS NUMISMATIC ITEMS.—For purposes of sections 5134 and 5136, all coins minted under this subsection shall be considered to be numismatic items.

''(5) ISSUANCE.—

''(A) QUALITY OF COINS.—The Secretary may mint and issue such number of quarter dollars of each design selected under paragraph (4) in uncirculated and proof qualities as the Secretary determines to be appropriate.

''(B) SILVER COINS.—Notwithstanding subsection (b), the Secretary may mint and issue such number of quarter dollars of each design selected under paragraph (4) as the Secretary determines to be appropriate, with a content of 90 percent silver and 10 percent copper.

''(C) TIMING AND ORDER OF ISSUANCE.—Coins minted under this subsection honoring the District of Columbia and each of the territories shall be issued in equal sequential intervals during 2009 in the following order: the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

''(6) OTHER PROVISIONS.—

''(A) APPLICATION IN EVENT OF ADMISSION AS A STATE.—If the District of Columbia or any territory becomes a State before the end of the 10-year period referred to in subsection (l)(1), subsection (l)(7) shall apply, and this subsection shall not apply, with respect to such State.

''(B) APPLICATION IN EVENT OF INDEPENDENCE.—If any territory becomes independent or otherwise ceases to be a territory or possession of the United States before quarter dollars bearing designs which are emblematic of such territory are minted pursuant to this subsection, this subsection shall cease to apply with respect to such territory.

''(7) TERRITORY DEFINED.—For purposes of this subsection, the term 'territory' means the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.''.

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By Mr. SMITH (for himself, Mr. ALLEN, Mr. HOLLINGS, and Mr. SUNUNU):

S. 2603. A bill to amend section 227 of the Communications Act of 1934 (47 U.S.C. 227) relating to the prohibition on junk fax transmissions; to the Committee on Commerce, Science, and Transportation.

Mr. SMITH. Mr. President, I rise today with Senators ALLEN, HOLLINGS and SUNUNU to introduce the ''Junk Fax Prevention Act of 2004.'' This bill will strengthen existing laws by providing consumers the ability to prevent unsolicited fax advertisements and provide greater Congressional oversight of enforcement efforts by the Federal Communications Commission (FCC). This bill will also help businesses by allowing them to continue to send faxes to their customers in a manner that has proven successful with both businesses and consumers.

At the end of last summer, the FCC reconsidered its Telephone Consumer Protection Act (TCPA) rules and elected to eliminate the ability for businesses to contact their customers even where there exists an established business relationship. The effect of the FCC's rule would be to prevent a business from sending a fax solicitation to any person, whether it is a supplier or customer, without first obtaining prior written consent. This approach, while seemingly sensible, would impose significant costs on businesses in the form of extensive record keeping. Almost immediately after issuing this rule, the Commission stayed its implementation until January 1, 2005.

The purpose of this legislation is to preserve the established business relationship exception currently recognized under the TCPA. In addition, this bill will allow consumers to opt out of receiving further unsolicited faxes. This is a new consumer protection that does not exist under the TCPA today.

We believe that this bipartisan bill strikes the appropriate balance in providing significant protections to consumers from unwanted unsolicited fax advertisements and preserves the many benefits that result from legitimate fax communications. We hope that this body can pass this legislation in a timely manner, prior to January 1, 2005, when the FCC's stay expires.

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

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

S. 2603

*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 ''Junk Fax Prevention Act of 2004''.

**SEC. 2. PROHIBITION ON FAX TRANSMISSIONS CONTAINING UNSOLICITED ADVERTISEMENTS.**

(a) PROHIBITION.—Section 227(b)(1)(C) of the Communications Act of 1934 (47 U.S.C. 227(b)(1)(C)) is amended to read as follows:

''(C) to use any telephone facsimile machine, computer, or other device to send, to a telephone facsimile machine, an unsolicited advertisement, unless—

''(i) the unsolicited advertisement is from a sender with an established business relationship with the recipient; and

''(ii) the unsolicited advertisement contains a notice meeting the requirements under paragraph (2)(D), except that the exception under clauses (i) and (ii) shall not apply with respect to an unsolicited advertisement sent to a telephone facsimile machine by a sender to whom a request has been made not to send future unsolicited advertisements to such telephone facsimile

machine that complies with the requirements under paragraph (2)(E); or''.

(b) DEFINITION OF ESTABLISHED BUSINESS RELATIONSHIP.—Section 227(a) of the Communications Act of 1934 (47 U.S.C. 227(a)) is amended—

(1) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively; and

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

''(2) The term 'established business relationship', for purposes only of subsection (b)(1)(C)(i), shall have the meaning given the term in section 64.1200 of title 47, Code of Federal Regulations, as in effect on January 1, 2003, except that—

''(A) such term shall include a relationship between a person or entity and a business subscriber subject to the same terms applicable under such section to a relationship between a person or entity and a residential subscriber; and

''(B) an established business relationship shall be subject to any time limitation established pursuant to paragraph (2)(G))''.

(c) REQUIRED NOTICE OF OPT-OUT OPPORTUNITY.—Section 227(b)(2) of the Communications Act of 1934 (47 U.S.C. 227(b)(2)) is amended—

(1) in subparagraph (B), by striking ''and'' 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) shall provide that a notice contained in an unsolicited advertisement complies with the requirements under this subparagraph only if—

''(i) the notice is clear and conspicuous and on the first page of the unsolicited advertisement;

''(ii) the notice states that the recipient may make a request to the sender of the unsolicited advertisement not to send any future unsolicited advertisements to a telephone facsimile machine or machines and that failure to comply, within the shortest reasonable time, as determined by the Commission, with such a request meeting the requirements under subparagraph (E) is unlawful;

''(iii) the notice sets forth the requirements for a request under subparagraph (E);

''(iv) the notice includes—

''(I) a domestic contact telephone and facsimile machine number for the recipient to transmit such a request to the sender; and

''(II) a cost-free mechanism for a recipient to transmit a request pursuant to such notice to the sender of the unsolicited advertisement; the Commission shall by rule require the sender to provide such a mechanism and may, in the discretion of the Commission and subject to such conditions as the Commission may prescribe, exempt certain classes of small business senders, but only if the Commission determines that the costs to such class are unduly burdensome given the revenues generated by such small businesses;

''(v) the telephone and facsimile machine numbers and the cost-free mechanism set forth pursuant to clause (iv) permit an individual or business to make such a request during regular business hours; and

''(vi) the notice complies with the requirements of subsection (d);''.

(d) REQUEST TO OPT-OUT OF FUTURE UNSOLICITED ADVERTISEMENTS.—Section 227(b)(2) of the Communications Act of 1934 (47 U.S.C. 227(b)(2)), as amended by subsection (c), is further amended by adding at the end the following:

''(E) shall provide, by rule, that a request not to send future unsolicited advertisements to a telephone facsimile machine complies with the requirements under this subparagraph only if—

''(i) the request identifies the telephone number or numbers of the telephone facsimile machine or machines to which the request relates;

''(ii) the request is made to the telephone or facsimile number of the sender of such an unsolicited advertisement provided pursuant to subparagraph (D)(iv) or by any other method of communication as determined by the Commission; and

''(iii) the person making the request has not, subsequent to such request, provided express invitation or permission to the sender, in writing or otherwise, to send such advertisements to such person at such telephone facsimile machine;''.

(e) AUTHORITY TO ESTABLISH NONPROFIT EXCEPTION.—Section 227(b)(2) of the Communications Act of 1934 (47 U.S.C. 227(b)(2)), as amended by subsections (c) and (d), is further amended by adding at the end the following:

''(F) may, in the discretion of the Commission and subject to such conditions as the Commission may prescribe, allow professional or trade associations that are tax-exempt nonprofit organizations to send unsolicited advertisements to their members in furtherance of the association's tax-exempt purpose that do not contain the notice required by paragraph (1)(C)(ii), except that the Commission may take action under this subparagraph only—

''(i) by regulation issued after public notice and opportunity for public comment; and

''(ii) if the Commission determines that such notice required by paragraph (1)(C)(ii) is not necessary to protect the ability of the members of such associations to stop such associations from sending any future unsolicited advertisements; and''.

(f) AUTHORITY TO ESTABLISH TIME LIMIT ON ESTABLISHED BUSINESS RELATIONSHIP EXCEPTION.—Section 227(b)(2) of the Communications Act of 1934 (47 U.S.C. 227(b)(2)), as amended by subsections (c), (d), and (e) of this section, is further amended by adding at the end the following:

''(G)(i) may, consistent with clause (ii), limit the duration of the existence of an established business relationship to a period not shorter than 5 years and not longer than 7 years after the last occurrence of an action sufficient to establish such a relationship, but only if—

''(I) the Commission determines that the existence of the exception under paragraph (1)(C) relating to an established business relationship has resulted in a significant number of complaints to the Commission regarding the sending of unsolicited advertisements to telephone facsimile machines;

''(II) upon review of such complaints referred to in subclause (I), the Commission has reason to believe that a significant number of such complaints involve unsolicited advertisements that were sent on the basis of an established business relationship that was longer in duration than the Commission believes is consistent with the reasonable expectations of consumers;

''(III) the Commission determines that the costs to senders of demonstrating the existence of an established business relationship within a specified period of time do not outweigh the benefits to recipients of establishing a limitation on such established business relationship; and

''(IV) the Commission determines that, with respect to small businesses, the costs are not unduly burdensome, given the revenues generated by small businesses, and taking into account the number of specific complaints to the Commission regarding the sending of unsolicited advertisements to telephone facsimile machines by small businesses; and

''(ii) may not commence a proceeding to determine whether to limit the duration of the existence of an established business relationship before the expiration of the 3-year period that begins on the date of the enactment of the Junk Fax Prevention Act of 2004.''.

(g) UNSOLICITED ADVERTISEMENT.—Section 227(a)(5) of the Communications Act of 1934, as so redesignated by subsection (b)(1), is amended by inserting '', in writing or otherwise'' before the period at the end.

(h) REGULATIONS.—Except as provided in section 227(b)(2)(G)(ii) of the Communications Act of 1934 (as added by subsection (f)), not later than 270 days after the date of enactment of this Act, the Federal Communications Commission shall issue regulations to implement the amendments made by this section.

**SEC. 3. FCC ANNUAL REPORT REGARDING JUNK FAX ENFORCEMENT.**

Section 227 of the Communications Act of 1934 (47 U. S.C. 227) is amended by adding at the end the following:

''(g) JUNK FAX ENFORCEMENT REPORT.—The Commission shall submit an annual report to Congress regarding the enforcement during the past year of the provisions of this section relating to sending of unsolicited advertisements to telephone facsimile machines, which report shall include—

''(1) the number of complaints received by the Commission during such year alleging that a consumer received an unsolicited advertisement via telephone facsimile machine in violation of the Commission's rules;

''(2) the number of such complaints received during the year on which the Commission has taken action;

''(3) the number of such complaints that remain pending at the end of the year;

''(4) the number of citations issued by the Commission pursuant to section 503 during the year to enforce any law, regulation, or policy relating to sending of unsolicited advertisements to telephone facsimile machines;

''(5) the number of notices of apparent liability issued by the Commission pursuant to section 503 during the year to enforce any law, regulation, or policy relating to sending of unsolicited advertisements to telephone facsimile machines;

''(6) for each notice referred to in paragraph (5)—

''(A) the amount of the proposed forfeiture penalty involved;

''(B) the person to whom the notice was issued;

''(C) the length of time between the date on which the complaint was filed and the date on which the notice was issued; and

''(D) the status of the proceeding;

''(7) the number of final orders imposing forfeiture penalties issued pursuant to section 503 during the year to enforce any law, regulation, or policy relating to sending of unsolicited advertisements to telephone facsimile machines;

''(8) for each forfeiture order referred to in paragraph (7)—

''(A) the amount of the penalty imposed by the order;

''(B) the person to whom the order was issued;

''(C) whether the forfeiture penalty has been paid; and

''(D) the amount paid;

''(9) for each case in which a person has failed to pay a forfeiture penalty imposed by such a final order, whether the Commission referred such matter for recovery of the penalty; and

''(10) for each case in which the Commission referred such an order for recovery—

''(A) the number of days from the date the Commission issued such order to the date of such referral;

''(B) whether an action has been commenced to recover the penalty, and if so, the number of days from the date the Commission referred such order for recovery to the date of such commencement; and

''(C) whether the recovery action resulted in collection of any amount, and if so, the amount collected.''.

**SEC. 4. GAO STUDY OF JUNK FAX ENFORCEMENT.**

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding complaints received by the Federal Communications Commission concerning unsolicited advertisements sent to telephone facsimile machines, which study shall determine—

(1) the mechanisms established by the Commission to receive, investigate, and respond to such complaints;

(2) the level of enforcement success achieved by the Commission regarding such complaints;

(3) whether complainants to the Commission are adequately informed by the Commission of the responses to their complaints; and

(4) whether additional enforcement measures are necessary to protect consumers, including recommendations regarding such additional enforcement measures.

(b) ADDITIONAL ENFORCEMENT REMEDIES.—In conducting the analysis and making the recommendations required under subsection (a)(4), the Comptroller General shall specifically examine—

(1) the adequacy of existing statutory enforcement actions available to the Commission;

(2) the adequacy of existing statutory enforcement actions and remedies available to consumers;

(3) the impact of existing statutory enforcement remedies on senders of facsimiles;

(4) whether increasing the amount of financial penalties is warranted to achieve greater deterrent effect; and

(5) whether establishing penalties and enforcement actions for repeat violators or abusive violations similar to those established under section 1037 of title 18, United States Code, would have a greater deterrent effect.

(c) REPORT.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General shall submit a report on the results of the study under this section to Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

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By Mr. SMITH (for himself and Mr. BREAUX):

S. 2604. A bill to amend the Internal Revenue Code of 1986 to reduce the recognition period for built-ins gains for subchapter S corporations; to the Committee on Finance.

Mr. SMITH. Mr. President, I am very pleased today to introduce the Small Business Growth and Opportunity Act of 2004 along with my Finance Committee colleague, Senator BREAUX.

This legislation will allow S corporations to liquidate unproductive assets freeing up capital to be used to grow the business and create new jobs.

There are about 2.9 million of these small and family-owned businesses in all 50 States. Over the past few years, many of these small businesses have been forced to lay off workers and delay capital investment. At the same time, the tax code forces them to hold on to unproductive and inefficient assets or face the double tax period of the corporate ''built-in gains'' tax.

Under current law, businesses that convert from C corporation to S corporation status are penalized by a double tax burden for a period of 10 years if they sell assets they owned as a C corporation. This tax penalty is imposed at the corporate level on top of normal shareholder-level taxes, making the sale and reinvestment of these assets prohibitively expensive. In some States, this double-tax burden can exceed 70 percent of the built-in gain.

Clearly this tax penalty is neither justifiable nor sustainable as a reasonable business matter. The built-in gains tax 1. limits cash flow and availability, 2. encourages excess borrowing because the S corporation cannot access the locked-in value of its own assets, and 3. prevents these small businesses from growing and creating jobs.

While I would like to see even more generous relaxation of these rules, for revenue considerations this bill will reduce the built-in gains recognition period, the holding period, from 10 years to 7 years. This three-year reduction would be a significant start in easing this unproductive tax burden on these small and family-owned businesses.

I look forward to working with my colleagues on the Senate Finance Committee and hope the Committee will consider this proposal this year.

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

S. 2604

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

**SECTION 1. REDUCED RECOGNITION PERIOD FOR BUILT-IN GAINS.**

(a) IN GENERAL.—Paragraph (7) of section 1374(d) (relating to definitions and special rules) is amended to read as follows:

''(7) RECOGNITION PERIOD.—The term 'recognition period' means the 7-year period beginning with the 1st day of the 1st taxable year for which the corporation was an S corporation. For purposes of applying this section to any amount includible in income by reason of distributions to shareholders pursuant to section 593(e), the preceding sentence shall be applied without regard to the duration of the recognition period in effect on the date such distribution.''.

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—The amendment made by this section shall apply to any recognition period in effect on or after the date of the enactment of this Act.

(2) SPECIAL APPLICATION TO EXISTING PERIODS EXCEEDING 7 YEARS.— Any recognition period in effect on the date of the enactment of this Act, the length of which is greater than 7 years, shall end on such date.

SUBMITTED RESOLUTIONS

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SENATE RESOLUTION 391—DESIGNATING THE SECOND WEEK OF DECEMBER 2004 AS ''CONVERSATIONS BEFORE THE CRISIS WEEK''

Mr. NELSON of Florida submitted the following resolution; which was referred to the Committee of the Judiciary:

S. RES. 391

Whereas 2,400,000 people in the United States die each year;

Whereas research shows that a majority of people in the United States would prefer to die at home, surrounded by family and other loved ones, free from pain, and with their wishes honored;

Whereas only 30 percent of people in the United States living with life-limiting illness experience the interdisciplinary care that hospice provides to patients and their caregivers;

Whereas studies have shown that too many people do not get the care they want, with 70 percent dying in hospitals and nursing homes suffering needlessly from high levels of pain due to poor pain and symptom management;

Whereas individuals need to have more information and support in order to make informed choices and share these end-of-life care wishes with their families, doctors, lawyers, and clergy;

Whereas all people in the United States have the ability to make their end-of-life care wishes clear through the execution of an advance directive, which includes a living will describing the kind of care they would like to receive and the appointment of a health care agent or proxy to speak for them if they cannot speak for themselves;

Whereas only 15 to 20 percent of people in the United States currently have an advance directive and most do not know that there are options for good pain and symptom management and quality end-of-life care, and thus do not ask for them;

Whereas honoring a dying person's preferences is a critical element of quality end-of-life care and the right of all people in the United States;

Whereas advance directive documents are valid in all 50 states and are available without charge on the Internet;

Whereas a ''Conversations Before the Crisis Week'', and activities planned to support this week, would encourage family members to designate time during the week to talk to their loved ones about their personal end-of-life wishes and to document those wishes formally through the completion of a living will and appointing a medical power of attorney; and

Whereas the Senate believes educating people in the United States about end-of-life care choices and encouraging conversations about these issues before there is a medical crisis is of the utmost importance: Now, therefore, be it

*Resolved,* That the Senate—

(1) designates the second week of December 2004 as 'Conversations Before the Crisis Week'; and

(2) requests that the President issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

Mr. NELSON of Florida. Mr. President, last week my colleague Senator JAY ROCKEFELLER and I had the privilege of introducing the Advanced Directives Improvement and Education

Act of 2004, which would improve an individual's understanding of the importance of advance directives and give people the opportunity to discuss their options with their doctor.

The goals of the legislation are important. But as we make advance directives more accessible, we must also reach out to the many Americans who feel uncomfortable discussing serious illness and death and help them learn how to make their end-of-life health care plans.

Accordingly, today I am pleased to introduce a Resolution designating the second week of December 2004 to be ''Conversations Before the Crisis Week.'' During this week, there will be town hall meetings, television and radio shows, educational events, newspaper articles, legal clinics, and other activities taking place in communities across the country. This coordinated effort will bring the discussion of dying out of the shadows and into the public square. There are difficult questions to ask and the answers are neither simple nor universal. But it is essential that we discuss them and that each of us find the best answer we can for ourselves and our families.

The alternative is unacceptable: once a terminal illness or tragedy strikes, it is infinitely more difficult to sort through the complex and confusing emotional, spiritual, legal, and medical concerns. We must begin having these conversations before the crisis because it is important to plan for end-of-life care without the anger, sadness, fear, and pain that may accompany a terminal diagnosis, and because knowing what you want is the greatest gift you can give to those who love you and may have to make medical decisions for you.

It is my hope that as we talk more we will learn more; and as we learn more, we will demand more. If we demand better end-of-life care, we will get it. One example: Medicare has an excellent hospice benefit but only 25–30 percent of eligible Medicare beneficiaries use this service. Even people who do use the hospice benefit stay for an average of 28 days—too short to provide maximum benefit. Since Medicare allows people who need it to have over 180 days of hospice care, this is very surprising. By supporting this resolution, and creating a ''Conversations Before the Crisis Week,'' we can generate important public attention—attention that will help explain this mystery, and attention that will be crucial to helping people end their lives in a way that is as peaceful and as meaningful as possible.

## SENATE RESOLUTION 392—CONVEYING THE SYMPATHY OF THE SENATE TO THE FAMILIES OF THE YOUNG WOMEN MURDERED IN THE STATE OF CHIHUAHUA, MEXICO, AND ENCOURAGING INCREASED UNITED STATES INVOLVEMENT IN BRINGING AN END TO THESE CRIMES

Mr. BINGAMAN (for himself, Mrs. HUTCHISON, and Ms. LANDRIEU) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 392

Whereas the Mexican border city of Ciudad Juarez has been plagued with the abduction, sexual assault, and brutal murders of more than 370 young women since 1993;

Whereas these abductions and murders have begun to spread south to the city of Chihuahua;

Whereas more than 90 of these murders show signs of being connected to 1 or more serial killers;

Whereas some of the victims are as young as 13 years old, and many were abducted in broad daylight in well-populated areas;

Whereas these murders have brought pain as the families and friends of the victims on both sides of the border struggle to cope with the loss of their loved ones;

Whereas many of the victims have yet to be positively identified;

Whereas the perpetrators of most of these heinous acts remain unknown;

Whereas the Mexican Federal Government has taken steps to prevent these abductions and murders, including setting up a commission to coordinate Federal and State efforts in Mexico, establishing a 40-point plan, appointing a special commissioner, and appointing a special prosecutor;

Whereas in 2003 the El Paso Field Office of the Federal Bureau of Investigation and the El Paso Police Department began providing Mexican authorities with training in investigation techniques and methods;

Whereas the government of the State of Chihuahua has jurisdiction over these crimes;

Whereas Mexico is a party to the following international treaties that relate to abductions and murders: the Charter of the Organization of American States, the American Convention on Human Rights, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of all Forms of Discrimination Against Women, the United Nations Declaration on Violence Against Women, the Convention on the Rights of the Child, the Convention of Belem do Para, the Inter-American Convention to Prevent and Punish Torture, the Inter-American Convention on Forced Disappearance, and the United Nations Declaration on the Protection of All Persons From Enforced Disappearance; and

Whereas impunity for these crimes is a threat to the ability of Mexico to consolidate its growing democracy: Now, therefore, be it

*Resolved*, That the Senate—

(1) condemns the abductions and murders of young women in Ciudad Juarez and the city of Chihuahua in the State of Chihuahua, Mexico, since 1993;

(2) expresses its sincerest condolences and deepest sympathy to the families of the young women killed in the State of Chihuahua, Mexico, since 1993, many of whom appear to be victims of 1 or more serial murderers;

(3) recognizes the courageous struggle of the victims' families in seeking justice for the victims;

(4) urges the President and Secretary of State to continue to express concern over these abductions and murders to the Government of Mexico and to request that the investigative and preventative efforts of the Mexican Government become part of the bilateral agenda between the Governments of Mexico and the United States;

(5) urges the President and Secretary of State to continue to express support for the efforts of the victims' families to seek justice for the victims, to express concern relating to the continued harassment of these families and the human rights defenders with which they work, and to express concern with respect to impediments in the ability of the families to receive prompt and accurate information in their cases;

(6) supports multilateral efforts to create a DNA database that would allow families to positively identify the remains of the victims and encourages the Secretary of State to facilitate United States participation in such a DNA database;

(7) encourages the Secretary of State to continue to include in the annual Country Report on Human Rights of the Department of State all instances of improper investigatory methods, threats against human rights activists, and the use of torture with respect to cases involving the murder and abduction of young women in the State of Chihuahua;

(8) recommends that the United States Ambassador to Mexico visit Ciudad Juarez and the city of Chihuahua to meet with the families of the victims, women's rights organizations, and Mexican Federal and State officials responsible for investigating these crimes and preventing future such crimes;

(9) condemns the use of torture as a means of investigation into these crimes;

(10) encourages the Secretary of State to urge the Government of Mexico to ensure fair and proper judicial proceedings for the individuals accused of these abductions and murders and to impose appropriate punishment for those individuals subsequently determined to be guilty of such crimes;

(11) condemns all senseless acts of violence in all parts of the world and, in particular, violence against women; and

(12) expresses the solidarity of the people of the United States with the people of Mexico in the face of these tragic and senseless acts.

Mr. BINGAMAN. Mr. President, I rise today with my colleagues Senators HUTCHISON and LANDRIEU to submit a resolution to convey the deepest sympathy of the Senate to the families of the young women who have been tragically murdered in Ciudad Juarez and throughout the State of Chihuahua, and urge the governments of Mexico and the United States to work together to address this issue. This is an issue that has not only affected the people of Mexico, but has long troubled the communities in my home State and across the entire Southwest region. A similar resolution, H. Res. 466, has been introduced by Representative HILDA SOLIS and enjoys the bipartisan support of 125 cosponsors.

In 1993, the bodies of women began appearing in the deserts outside the city of Juarez, Mexico, marking the beginning of a horrendous epidemic that has plagued the United States-Mexico border region for more then 10 years. Since then, more than 370 women have

been killed. Many of the young women were abducted in broad daylight in well-populated areas, held captive for several days and subjected to physical violence, humiliation, and sexual torture, before having their mutilated bodies discovered days, or sometimes years, later in deserted areas.

Unfortunately, these murders have continued into this year. Most recently, on May 28, 14–year old Luisa Rocio Chavez Chavez was found murdered in the city of Chihuahua after disappearing the previous morning on her way home from the store. She had been raped and strangled to death, and her body was found partially clothed. And before that, on April 26, a 33-year old factory worker, Teresa Torbellin, was found after being beaten to death and dragged through bushes and desert, eventually being dumped in a deserted area outside the city. Like these deaths, nearly all of the cases remain unsolved. In fact, many of the bodies of victims have yet to be positively identified. One can only imagine how much pain and suffering this has caused the families and friends of these young women. I want to make sure that these deaths are never forgotten, and that the governments on both sides of the border continue to give this issue the attention that it so rightly deserves.

National and international human rights groups, as well as Mexico's own special prosecutor, Maria Lopez Urbina, have reported that many times bodies were misidentified, evidence was contaminated or lost, key witnesses were not properly interviewed, and autopsies were inadequately performed. Some reports have even suspected local, state, and federal authorities of being involved or complicit in the women's murders.

It is my understanding that President Vicente Fox has taken steps to address this issue, by setting up the Commission to Prevent and Eradicate Violence Against Women, which is responsible for coordinating Federal and State efforts in preventing violence of women in Ciudad Juarez and Chihuahua, and appointing a special prosecutor for punishing those responsible for the murders in Ciudad Juarez and Chihuahua. Although I am pleased that President Fox has taken the initiative on these fronts, I continue to believe that there needs to be a more coordinated effort on the part of the Mexican and U.S. governments. That is why I stand here today to submit this vitally important resolution.

Specifically, this resolution would condemn the abductions and murders of young women in the State of Chihuahua, Mexico, express the sincerest condolences and deepest sympathy of the Senate to the families of the young women, and urge a continued multilateral effort on the part of the governments of Mexico and the United States to address this issue.

To this end, it would urge the governments of Mexico and the United States to support efforts to further develop a DNA database that would allow families to positively identify the remains of the victims, and encourage the Secretary of State to continue to facilitate U.S. participation with such a DNA database.

It would also encourage the Secretary of State to urge the Mexican government to ensure fair and proper judicial proceedings for the individuals accused of these abductions and murders, and to impose appropriate punishment for those individuals found guilty of such crimes. Additionally, it would condemn the use of torture as a means of investigation.

Lastly, this resolution would condemn all senseless acts of violence against women across the world and express the solidarity of the people of the United States with the people of Mexico in the face of these tragic and senseless acts.

This problem cannot be ignored. We have the chance to help end the suffering of these innocent families, and I hope that the Senate will join me in supporting this resolution.

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## SENATE RESOLUTION 393—EXPRESSING THE SENSE OF THE SENATE IN SUPPORT OF UNITED STATES POLICY FOR A MIDDLE EAST PEACE PROCESS

Mr. FRIST (for himself, Mr. DASCHLE, Mr. LEVIN, Mr. NELSON of Florida, Mrs. BOXER, Mr. LIEBERMAN, Ms. MIKULSKI, Ms. LANDRIEU, Mr. CORZINE, Mr. LAUTENBERG, and Mr. VOINOVICH) submitted the following resolution; which was considered and agreed to:

S. RES. 393

Whereas the Road Map, endorsed by the United States, Israel, the Palestinian Authority, the European Union, Russia, and the United Nations, remains a realistic and widely recognized plan for making progress toward peace;

Whereas, on April 14, 2004, President Bush welcomed the plan of Israeli Prime Minister Ariel Sharon to remove certain military installations and all settlements from Gaza, and certain military installations and settlements from the West Bank;

Whereas under the Road Map, Palestinians must undertake an immediate cessation of armed activity and all acts of violence against Israelis anywhere, all Palestinian institutions, organizations, and individuals must end incitement against Israel, the Palestinian leadership must act decisively against terror (including sustained, targeted, and effective operations to stop terrorism and dismantle terrorist capabilities and infrastructure), and Palestinians must undertake a comprehensive and fundamental political reform that includes a strong parliamentary democracy and an empowered prime minister;

Whereas Prime Minister Sharon noted Israel's responsibilities under the Road Map include limitations on the growth of settlements, removal of unauthorized outposts, and steps to increase, to the extent permitted by security needs, freedom of movement for Palestinians not engaged in terrorism;

Whereas there likely will be no security for Israelis or Palestinians until they and all states join together to fight terrorism and dismantle terrorist organizations;

Whereas the United States remains committed to Israel's security, and well-being as a Jewish State, including secure, recognized, and defensible borders, and to preserving and strengthening Israel's capability to deter enemies and defend itself against any threat;

Whereas Israel has the right to defend itself against terrorism, including to take actions against terrorist organizations that threaten Israel's citizens;

Whereas, after Israel withdraws from Gaza and parts of the West Bank, existing arrangements regarding control of airspace, territorial waters, and land passages relating to the West Bank and Gaza are planned to continue;

Whereas, as part of a final peace settlement, Israel must have secure and recognized borders, which should emerge from negotiations between the parties in accordance with United Nations Security Council Resolutions 242 and 338;

Whereas, in light of realities on the ground, including already existing major Israeli population centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949, but realistic to expect that any final status agreement will only be achieved on the basis of mutually agreed changes that reflect these realities;

Whereas Israeli Prime Minister Ariel Sharon has stated: ''the barrier being erected by Israel is a security rather than political barrier, is temporary rather than permanent, and should therefore not prejudice any final status issues including final borders, and its route should take into account, consistent with security needs, its impact on Palestinian communities'';

Whereas an agreed just, fair, and realistic framework for a solution to the Palestinian refugee issue as part of any final status agreement will need to be found through the establishment of a Palestinian state, and the settling of Palestinian refugees there, rather than in Israel;

Whereas the United States supports the establishment of a Palestinian state that is viable, contiguous, sovereign, and independent, so that the Palestinian people can build their own future;

Whereas the United States will join with others in the international community to assist in fostering the development of Palestinian democratic political institutions and new leadership committed to those institutions, the reconstruction of civic institutions, the growth of a free and prosperous economy, and the building of capable security institutions dedicated to maintaining law and order and dismantling terrorist organizations; and

Whereas in order to promote a lasting peace, all states must oppose terrorism, support the emergence of a peaceful and democratic Palestine, and state clearly that they will live in peace with Israel: Now, therefore, be it

*Resolved,* That the Senate—

(1) endorses the above-mentioned principles and practices of United States policy in the Middle East, and ongoing actions to make progress toward realizing the vision of two states living side by side in peace and security, as a real contribution toward peace, and as important steps under the Road Map;

(2) reaffirms its commitment to a vision of two states, Israel and Palestine, living side by side in peace and security as the key to peace; and

(3) supports efforts to continue working with others in the international community, to build the capacity and will of Palestinian institutions to fight terrorism, dismantle terrorist organizations, and prevent the areas from which Israel has withdrawn from posing a threat to the security of Israel.

## SENATE RESOLUTION 394—TO AUTHORIZE TESTIMONY AND REPRESENTATION IN UNITED STATES V. DANIEL BAYLY, ET AL.

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 394

Whereas, by Senate Resolution 317, 107th Congress, the Senate authorized the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to produce records from its investigation into the collapse of Enron Corporation to law enforcement and regulatory officials and agencies;

Whereas, in the case of United States v. Daniel Bayly, et al., Cr. No. H–03–363, pending in the United States District Court for the Southern District of Texas, the parties have requested testimony from Tim Henseler, a former employee of, and Jim Pittrizzi, a detailee to, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

*Resolved*, That Tim Henseler and Jim Pittrizzi are authorized to testify in the case of United States v. Daniel Bayly, et al., except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal counsel is authorized to represent Tim Henseler and Jim Pittrizzi in connection with the testimony authorized in section one of this resolution.

## SENATE RESOLUTION 395—TO AUTHORIZE TESTIMONY, DOCUMENT PRODUCTION, AND LEGAL REPRESENTATION IN ULYSSES J. WARD V. DEP'T OF THE ARMY

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 395

Whereas, in the case of Ulysses J. Ward v. Dep't of the Army, No. AT–0752–04–0526–I–1, pending before the Merit Systems Protection Board, testimony and documents have been requested from Joshua Thomas, a former employee of the office of Senator Lamar Alexander;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule X1 of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

*Resolved*, That Joshua Thomas is authorized to testify and produce documents in the case of Ulysses J. Ward v. Dep't of the Army, except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Joshua Thomas in connection with the testimony authorized in section one of this resolution.

## SENATE RESOLUTION 396—COMMEMORATING THE 150TH ANNIVERSARY OF THE FOUNDING OF THE PENNSYLVANIA STATE UNIVERSITY

Mr. SANTORUM (for himself and Mr. SPECTER) submitted the following resolution; which was considered and agreed to:

S. RES. 396

Whereas in 1854, the Farmers' High School was founded in Centre County, Pennsylvania in response to the State Agricultural Society's interest in establishing an educational institution to bring general education and modern farming methods to the farmers of the Commonwealth of Pennsylvania;

Whereas in 1855, the Farmers' High School was granted a permanent charter by the Pennsylvania General Assembly;

Whereas the Morrill Land-Grant Act of 1862 provided for the distribution of grants of public lands owned by the Federal Government to the States for establishing and maintaining institutions of higher learning;

Whereas in 1863, the Commonwealth accepted a grant of land provided through such Act, establishing one of the first two land-grant institutions in the United States, and designated the Farmers' High School, renamed the Agricultural College of Pennsylvania, as the Commonwealth's sole land-grant institution;

Whereas in 1874, the Agricultural College of Pennsylvania was renamed The Pennsylvania State College and in 1953, such was renamed The Pennsylvania State University;

Whereas with a current enrollment of 83,000, The Pennsylvania State University consists of 11 academic schools, 20 additional campuses located throughout the Commonwealth, the College of Medicine, The Dickinson School of Law, and The Pennsylvania College of Technology;

Whereas 1 in every 8 Pennsylvanians with a college degree, 1 in every 720 Americans, 1 in every 50 engineers, and 1 in every 4 meteorologists are alumni of The Pennsylvania State University;

Whereas formed in 1870, The Pennsylvania State University Alumni Association is the largest dues-paying alumni association in the nation;

Whereas The Pennsylvania State University has the largest outreach effort in United States higher education, delivering programs to learners in 87 countries and all 50 States;

Whereas The Pennsylvania State University consistently ranks in the top 3 universities in terms of SAT scores received from high school seniors;

Whereas The Pennsylvania State University annually hosts the largest student-run philanthropic event in the world, which benefits the Four Diamonds Fund for families with children being treated for cancer;

Whereas the missions of instruction, research, outreach and extension continue to be the focus of The Pennsylvania State University;

Whereas The Pennsylvania State University is renown for the following: the rechargeable heart pacemaker design, the heart-assist pump design, 4 astronauts to have flown in space including the first African-American, and the first institution to offer an Agriculture degree; and

Whereas The Pennsylvania State University is one of the most highly regarded research universities in the nation, with an outreach extension program that reaches nearly 1 out of 2 Pennsylvanians a year and an undergraduate school of immense scope and popularity: Now, therefore, be it

*Resolved*, That the Senate commemorates the 150th anniversary of the founding of The Pennsylvania State University and congratulates its faculty, staff, students, alumni, and friends on the occasion.

## SENATE RESOLUTION 397—EXPRESSING THE SENSE OF THE SENATE ON THE TRANSITION OF IRAQ TO A CONSTITUTIONALLY ELECTED GOVERNMENT

Mr. FRIST (for himself, Mr. DASCHLE, Mr. LUGAR, Mr. SESSIONS, Mr. LIEBERMAN, Mr. GRAHAM of South Carolina, and Mr. BIDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 397

Whereas June 30, 2004, marks Iraq's assumption of sovereignty and the beginning of the transition of Iraq to a free and constitutionally elected government, which is to be established by December 31, 2005;

Whereas the Senate congratulates the Iraqi people, expresses its appreciation to the Iraqi Interim Government, and reaffirms the United States desire for the people of Iraq to live in peace and freedom;

Whereas the successful transition of Iraq to a constitutionally elected government requires that Iraq develop the capacity to provide security to its citizens, defend its borders, deliver essential services, create a transparent and credible political process, and set the conditions for economic prosperity;

Whereas the people of Iraq have a long tradition of cultural and technological achievement and a talented and dedicated population;

Whereas the United States desires peace and prosperity for the citizens of Iraq;

Whereas more than three decades of dictatorial rule have deprived the people of Iraq of the benefits of that tradition and history, caused extraordinary personal suffering, and robbed the people of Iraq of the opportunity to reach their full potential;

Whereas establishing security is a prerequisite to the successful transition to democracy and reconstruction of Iraq;

Whereas providing security to the people of Iraq will require a well-trained and well-equipped police force, a professional military accountable to civilian leadership, the disbanding of militias, and a fair and efficient judicial system;

Whereas the current program to train and equip Iraq security services could benefit from better vetting of candidates, expanded training time, follow-on field training with experienced police and military professionals, and the accelerated provision of equipment and resources;

Whereas the administration of the institutions of government and the delivery of essential services in Iraq will require technical expertise and training not yet fully developed in Iraq;

Whereas Iraq faces a shortage of essential services, including sanitation, safe water, and a reliable supply of electricity;

Whereas economic prosperity in Iraq will require viable financial institutions, conditions that encourage private investment, and the significant reduction of foreign debt incurred by the regime of Saddam Hussein;

Whereas the people of Iraq were the victims of three decades of economic mismanagement under the regime of Saddam Hussein, and have inherited $120,000,000,000 in debt incurred by that regime;

Whereas Prime Minister Allawi has requested assistance from the international community to aid in the rebuilding and security of Iraq, including assistance from the neighbors of Iraq to improve intelligence-sharing and to tighten controls of the borders with Iraq in order to prevent the infiltration of terrorists and illicit goods, and assistance from the North Atlantic Treaty Organization (NATO) to train and equip Iraqi Security Forces;

Whereas the international community, through a unanimous vote of the United Nations Security Council in Resolution 1546 (2004), called on United Nations member states and international and regional organizations to contribute to a multinational force in Iraq and a dedicated force to provide security for the United Nations presence in Iraq, to help Iraq build the capability of its security forces and governing institutions, to aid in rebuilding the capacity for governance in Iraq, and to commit additional resources to reconstruct and develop the economy of Iraq;

Whereas since the adoption of United Nations Security Council Resolution 1546, some members of the international community who have long expressed concern for the plight of the people of Iraq, and who voted for the adoption of the Resolution in the Security Council, have failed to respond to the urgent needs of the people of Iraq;

Whereas improved security in Iraq and the increased capacity of the people of Iraq to provide essential services will reduce the burdens on United States military personnel in the region;

Whereas the United States supports the determination of the Iraqi Interim Government to defeat the loyalists to Saddam Hussein, radical militias, common criminals, and terrorists who make up the insurgency in Iraq;

Whereas the United States is committed to assisting Iraq in reasserting its full sovereignty, consistent with United Nations Security Council Resolution 1546;

Whereas the Senate acknowledges the efforts and sacrifices of the Armed Forces, other employees of the United States Government, contractors, and their counterparts in the coalition to promote Iraq's security, recovery, and transition; and

Whereas the United States and other members of the international community have a profound stake in the success of the transition of Iraq to a constitutionally elected government: Now, therefore, be it

*Resolved,* That it is the sense of the Senate that—

(1) the members of the Armed Forces and their families have performed courageously and nobly and have earned the deep gratitude of the people of the United States;

(2) success in Iraq is a global priority and therefore demands cooperation from all states and international organizations;

(3) states and international organizations should fulfill their commitments to contribute what resources and skills they can to the establishment and security of an independent Iraq with a constitutionally elected government;

(4) states and international organizations should fulfill the financial commitments they have already made to the reconstruction of Iraq;

(5) the international community should establish, to the highest standards, additional police training academies inside and outside of Iraq, contribute additional trainers to those academies, and dedicate experienced police to train Iraq police officers in the field;

(6) the North Atlantic Treaty Organization (NATO) is uniquely qualified to respond to the call for assistance in United Nations Security Council Resolution 1546 (2004) to meet the needs of the people of Iraq for security and stability, including by assisting in training the Iraq military, providing security for elections in Iraq, and helping secure the borders of Iraq and should, therefore, respond positively to the request of Interim Iraqi Prime Minister Allawi to provide training, equipment, and other forms of technical assistance that his government determines is appropriate to help Iraq's security forces defeat terrorism and reduce Iraq's reliance on foreign forces;

(7) in order to ensure that the United Nations can play the leading role called for by United Nations Security Council Resolution 1546, member states should contribute additional military and security forces, and other resources as appropriate, to provide security for a United Nations presence in Iraq;

(8) countries unable to contribute security personnel to help stabilize Iraq should contribute to the transition of Iraq in other ways, including by providing technical experts, civil engineers, municipal management advisers, and to fill other needs requested by the Iraqi government;

(9) countries holding debt incurred under the Saddam Hussein regime should meaningfully reduce amounts of that debt;

(10) the United States is committed to a free and peaceful Iraq; and

(11) it is appropriate to thank coalition partners and other countries that have helped promote security, stability, reconstruction, and democracy in Iraq.

## SENATE CONCURRENT RESOLUTION 120—PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES

Mr. FRIST submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 120

*Resolved by the Senate (the House of Representatives concurring),* That when the Senate recesses or adjourns on any day from Thursday, June 24, 2004, through Monday, June 28, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Tuesday, July 6, 2004, or at such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, June 24, 2004, or Friday, June 25, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2:00 p.m. on Tuesday, July 6, 2004, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, or their respective designees, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble at such place and time as they may designate whenever, in their opinion, the public interest shall warrant it.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 3486. Mr. BAYH (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table.

SA 3487. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3488. Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3489. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3490. Mr. STEVENS (for Mr. BAUCUS) proposed an amendment to the bill H.R. 4613, supra.

SA 3491. Mr. STEVENS (for Mr. CORZINE) proposed an amendment to the bill H.R. 4613, supra.

SA 3492. Mr. STEVENS (for Mr. KENNEDY (for himself, Mr . KERRY, Mr. SCHUMER, and Mrs. CLINTON)) proposed an amendment to the bill H.R. 4613, supra.

SA 3493. Mr. DEWINE (for himself, Mr. LEAHY, Mr. ALEXANDER, Mr. BROWNBACK, Mr. MCCAIN, Mr. BIDEN, Mr. CORZINE, Mr. FEINGOLD, Mr. DURBIN, Mrs. DOLE, and Mrs. CLINTON) proposed an amendment to the bill H.R. 4613, supra.

SA 3494. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3495. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3496. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3497. Mr. STEVENS (for Mr. LEAHY) proposed an amendment to the bill H.R. 4613, supra.

SA 3498. Mr. STEVENS (for Mr. WARNER (for himself and Mr. ALLEN)) proposed an amendment to the bill H.R. 4613, supra.

SA 3499. Mr. STEVENS (for Mr. ROBERTS) proposed an amendment to the bill H.R. 4613, supra.

SA 3500. Mr. STEVENS (for Mr. SANTORUM) proposed an amendment to the bill H.R. 4613, supra.

SA 3501. Mr. STEVENS (for Mr. SANTORUM) proposed an amendment to the bill H.R. 4613, supra.

SA 3502. Mr. BYRD (for himself and Mr. CORZINE) proposed an amendment to the bill H.R. 4613, supra.

SA 3503. Mr. STEVENS (for Mr. LOTT (for himself and Mr . COCHRAN)) proposed an amendment to the bill H.R. 4613, supra.

SA 3504. Mr. STEVENS (for Mr. REED) proposed an amendment to the bill H.R. 4613, supra.

SA 3505. Mr. STEVENS (for Mr. BAYH (for himself and Mr . LUGAR)) proposed an amendment to the bill H.R. 4613, supra.

SA 3506. Mr. STEVENS (for Mr. REED) proposed an amendment to the bill H.R. 4613, supra.

SA 3507. Mr. STEVENS (for Mr. BIDEN (for himself, Mr. LUGAR, Mr. INOUYE, Mr. STEVENS, and Mr. SPECTER)) proposed an amendment to the bill H.R. 4613, supra.

SA 3508. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3509. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3510. Mr. ROBERTS (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3511. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3512. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3513. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3514. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3515. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3516. Mr. STEVENS (for Ms. MIKULSKI) proposed an amendment to the bill H.R. 4613, supra.

SA 3517. Mr. STEVENS (for Mr. NELSON, OF FLORIDA) proposed an amendment to the bill H.R. 4613, supra.

SA 3518. Mr. STEVENS (for Mr. SHELBY) proposed an amendment to the bill H.R. 4613, supra.

SA 3519. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3520. Mr. BIDEN (for himself, Mr. LEAHY, Mr. DODD, Mr. CORZINE, Mr. LEVIN, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 4613, supra.

SA 3521. Mr. TALENT submitted an amendment intended to be proposed by him to the bill H.R. 4613, supra; which was ordered to lie on the table.

SA 3522. Mr. STEVENS (for Mr. DODD (for himself and Mr . LIEBERMAN)) proposed an amendment to the bill H.R. 4613, supra.

SA 3523. Mr. STEVENS (for Mr. NICKLES) proposed an amendment to the bill H.R. 4613, supra.

SA 3524. Mr. STEVENS (for Ms. LANDRIEU) proposed an amendment to the bill H.R. 4613, supra.

SA 3525. Mr. STEVENS (for Mr. BUNNING) proposed an amendment to the bill H.R. 4613, supra.

SA 3526. Mr. STEVENS (for Mr. VOINOVICH (for himself and Mr. DEWINE)) proposed an amendment to the bill H.R. 4613, supra.

SA 3527. Mr. STEVENS (for Mr. VOINOVICH (for himself and Mr. DEWINE)) proposed an amendment to the bill H.R. 4613, supra.

SA 3528. Mr. STEVENS (for Mrs. BOXER) proposed an amendment to the bill H.R. 4613, supra.

SA 3529. Mr. STEVENS (for Mr. BURNS) proposed an amendment to the bill H.R. 4613, supra.

SA 3530. Mr. STEVENS (for Mr. BURNS) proposed an amendment to the bill H.R. 4613, supra.

SA 3531. Mr. STEVENS (for Mr. ROBERTS) proposed an amendment to the bill H.R. 4613, supra.

SA 3532. Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, supra.

SA 3533. Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, supra.

SA 3534. Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, supra.

SA 3535. Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, supra.

SA 3536. Mr. STEVENS (for Mr. TALENT) proposed an amendment to the bill H.R. 4613, supra.

SA 3537. Mr. STEVENS (for Mr. PRYOR (for himself, Mrs. DOLE, and Mrs. LINCOLN)) proposed an amendment to the bill H.R. 4613, supra.

SA 3538. Mr. STEVENS (for Mr. SUNUNU) proposed an amendment to the bill H.R. 4613, supra.

SA 3539. Mr. STEVENS (for Mr. LEVIN) proposed an amendment to the bill H.R. 4613, supra.

SA 3540. Mr. STEVENS (for Mr. CONRAD) proposed an amendment to the bill H.R. 4613, supra.

SA 3541. Mr. STEVENS (for Mr. KOHL (for himself, Mr. REED, Ms. SNOWE, Ms. COLLINS, and Mr. LEVIN)) proposed an amendment to the bill H.R. 4613, supra.

SA 3542. Mr. STEVENS (for Mr. DEWINE) proposed an amendment to the bill H.R. 4613, supra.

SA 3543. Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 4613, supra.

SA 3544. Mr. INOUYE (for Mr. DORGAN) proposed an amendment to the bill H.R. 4613, supra.

SA 3545. Mr. INOUYE proposed an amendment to the bill H.R. 4613, supra.

## TEXT OF AMENDMENTS

**SA 3486.** Mr. BAYH (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a) INCREASE IN AMOUNT FOR OPERATION AND MAINTENANCE, ARMY.—The amount appropriated or otherwise made available by title II of this Act under the heading ''OPERATION AND MAINTENANCE, ARMY'' is hereby increased by $6,900,000.

(b) AVAILABILITY OF AMOUNT.—(1) Of the amount appropriated or otherwise made available by title II of this Act under the heading ''OPERATION AND MAINTENANCE, ARMY'', as increased by subsection (a), $6,900,000 may be available for purposes of M1A1 Abrams Tank transmission maintenance.

(2) The amount available under paragraph (1) for the purpose specified in that paragraph is in addition to any other amounts available in this Act for that purpose.

**SA 3487.** Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'' is hereby increased by $10,000,000.

(b) AVAILABILITY OF AMOUNT FOR MEDICAL EQUIPMENT AND COMBAT CASUALTY CARE TECHNOLOGIES.—Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'', as increased by subsection (a), up to $10,000,000 may be available for medical equipment and combat casualty care technologies.

(c) OFFSET.—The amount appropriated or otherwise made available by title I of this Act under the heading ''MILITARY PERSONNEL, AIR FORCE'' is hereby reduced by $10,000,000.

**SA 3488.** Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''Research, Development, Test, and Evaluation, Air Force'', up to $10,000,000 may be available for the Science, Mathematics, And Research for Transformation (SMART) Pilot Scholarship Program.

**SA 3489.** Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a) Notwithstanding any other provision of law, the Secretary of Defense, with the concurrence of the Secretary of State, may transfer funds to the Secretary of State to provide assistance during fiscal year 2005 to military or security forces in a foreign country to enhance the capability of such country to participate in an international peacekeeping or peace enforcement operation.

(b) Assistance provided under subsection (a) may be used to provide equipment, supplies, training, or funding.

(c) Assistance provided under subsection (a) may not exceed $100,000,000 in fiscal year 2005 from funds made available to the Department of Defense.

(d) The authority to provide assistance under this section is in addition to any other authority to provide assistance to a foreign country or the military or security forces of such country.

**SA 3490.** Mr. STEVENS (for Mr. BAUCUS) proposed an amendment to the bill

H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8021. Of the amount appropriated by title III under the heading ''AIRCRAFT PROCUREMENT, AIR FORCE'', $880,000 shall be available to the Secretary of the Air Force for a grant to Rocky Mountain College, Montana, for the purchase of three Piper aircraft, and an aircraft simulator, for support of aviation training.

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**SA 3491.** Mr. STEVENS (for Mr. CORZINE) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of the Act under the heading ''RESEARCH, DEVELOPMENT, TEST, and EVALUATION, NAVY'', up to $4,000,000 may be available for Aviation Data Management and Control System, Block II.

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**SA 3492.** Mr. STEVENS (for Mr. KENNEDY (for himself, Mr. KERRY, Mr. SCHUMER, and Mrs. CLINTON)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 118, insert the following new section on line 5:

''SEC. 9006. In addition to amounts otherwise made available in this Act, $50,000,000, is made available upon enactment for 'Office of Justice Programs—State and Local Law Enforcement Assistance' for discretionary grants under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs for reimbursement to State and local law enforcement entities for security and related costs, including overtime, associated with the 2004 Presidential Candidate Nominating Conventions, to remain available until September 30, 2005: *Provided,* That from funds provided in this section the Office of Justice Programs shall make grants in the amount of $25,000,000 to the City of Boston, Massachusetts; and $25,000,000 to the City of New York, New York: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2004: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $50,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in H. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2004, is transmitted by the President to the Congress.''

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**SA 3493.** Mr. DEWINE (for himself, Mr. LEAHY, Mr. ALEXANDER, Mr. BROWNBACK, Mr. MCCAIN, Mr. BIDEN, Mr. CORZINE, Mr. FEINGOLD, Mr. DURBIN, Mrs. DOLE, and Mrs. CLINTON) porposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 118, between lines 4 and 5, insert the following:

TITLE X

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

For an additional amount for ''International Disaster and Famine Assistance'', $70,000,000, to remain available until expended: *Provided,* That funds appropriated by this paragraph shall be available to respond to the humanitarian crisis in the Darfur region of Sudan and in Chad: *Provided further,* That such amount is designated as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress): *Provided further,* That such amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in H. Con. Res. 95 (108th Congress), is transmitted by the President to Congress: *Provided further,* That funds shall be made available under this heading immediately upon enactment of this Act.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for ''Migration and Refugee Assistance'', $25,000,000, to remain available until expended: *Provided,* That funds appropriated by this paragraph shall be available to respond to the humanitarian crisis in the Darfur region of Sudan and in Chad: *Provided further,* That such amount is designated as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress): *Provided further,* That such amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in H. Con. Res. 95 (108th Congress), is transmitted by the President to Congress: *Provided further,* That funds shall be made available under this heading immediately upon enactment of this Act.

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**SA 3494.** Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'', up to $3,000,000 may be available for Medical Advanced Technology for the Intravenous Membrane Oxygenator.

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**SA 3495.** Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title II of this Act under the heading ''OPERATION AND MAINTENANCE, DEFENSE-WIDE'', up to $5,000,000 may be available for Department of Defense Education Activity for the upgrading of security at Department of Defense schools.

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**SA 3496.** Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a) INCREASE IN AMOUNT FOR PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY.—The amount appropriated or otherwise made available by title III of this Act under the heading ''PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY'' is hereby increased by $5,000,000.

(b) AVAILABILITY OF AMOUNT FOR PROCUREMENT OF CERTAIN VEHICLES.—Of the amount appropriated or otherwise made available by title III of this Act under the heading ''PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY'', as increased by subsection (a), up to $5,000,000 may be available for procurement of M109-based command-and-control vehicles or field artillery ammunition support vehicles.

(c) OFFSET.—The amount appropriated or otherwise made available by title I of this Act under the heading ''MILITARY PERSONNEL, AIR FORCE'' is hereby reduced by $5,000,000.

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**SA 3497.** Mr. STEVENS (for Mr. LEAHY) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated by title under the heading ''OTHER PROCUREMENT, AIR FORCE'', up to $2,000,000 may be used for aircrew bladder relief device (ABRD) kits.

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**SA 3498.** Mr. STEVENS (for Mr. WARNER (for himself and Mr. ALLEN)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a) Of the amounts appropriated by title III under the heading ''SHIPBUILDING AND CONVERSION, NAVY''—

(1) the amount provided under that heading specifically for the Carrier Replacement Program (AP) is hereby increased by $140,900,000;

(2) the amount provided under that heading specifically for CVN Refuelings (AP) is hereby increased by $110,000,000; and

(3) the total amount provided under that heading is hereby increased by $250,900,000.

(b) The amount of the reduction provided in section 8062(a) is hereby increased by $250,900,000.

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**SA 3499.** Mr. STEVENS (for Mr. ROBERTS) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''Research, Development, Test, and Evaluation, Air Force'', up to $6,000,000 may be available for the Science, Mathematics, And Research for Transformation (SMART) Pilot Scholarship Program.

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**SA 3500.** Mr. STEVENS (for Mr. SANTORUM) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title II of this Act under the heading ''OPERATION AND MAINTENANCE, DEFENSE-WIDE'', up to $5,000,000 may be available for Department of Defense Education Activity for the upgrading of security at Department of Defense schools.

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**SA 3501.** Mr. STEVENS (for Mr. SANTORUM) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'', up to $3,000,000 may be available for Medical Advanced Technology for the Intravenous Membrane Oxygenator.

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**SA 3502.** Mr. BYRD (for himself and Mr. CORZINE) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. It is the sense of the Senate that—

(1) any request for funds for a fiscal year for an ongoing military operation overseas, including operations in Afghanistan and Iraq, should be included in the annual budget of the President for such fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code; and

(2) any funds provided for such fiscal year for such a military operation should be provided in appropriations Acts for such fiscal year through appropriations to specific accounts set forth in such Acts.

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**SA 3503.** Mr. STEVENS (for Mr. LOTT (for himself and Mr. COCHRAN)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. It is the sense of Senate that—

(1) the Global Hawk Maritime Demonstration Program should be expanded to include the participation of forward deployed forces of the Navy and the Marine Corps in the area of responsibility of the Commander of the United States Central Command; and

(2) the Secretary of the Navy should compile the lessons learned in the conduct of the demonstration program specifically in that area of responsibility and incorporate those lessons into the ongoing activities of the demonstration program for the development of concepts of operations.

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**SA 3504.** Mr. STEVENS (for Mr. REED) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY'', up to $3,000,000 may be available to establish the Consortium of Visualization Excellence for Underseas Warfare Modeling and Simulation (COVE).

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**SA 3505.** Mr. STEVENS (for Mr. BAYH (for himself and Mr. LUGAR)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated by title under the heading ''Operation and Maintenance, Army'', up to $21,900,000 may be used for M1A1 Tank Transmission Maintenance.

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**SA 3506.** Mr. STEVENS (for Mr. REED) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY'', up to $2,000,000 may be available to conduct a demonstration of a prototype of the Improved Shipboard Combat Information Center.

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**SA 3507.** Mr. STEVENS (for Mr. BIDEN (for himself, Mr. LUGAR, Mr. INOUYE, Mr. STEVENS, and Mr. SPECTER)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a)(1) Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), the President may transfer to Israel, in exchange for concessions to be negotiated by the Secretary of Defense, with the concurrence of the Secretary of State, any or all of the items described in paragraph (2).

(2) The items referred to in paragraph (1) are armor, artillery, automatic weapons ammunition, missiles, and other munitions that—

(A) are obsolete or surplus items;

(B) are in the inventory of the Department of Defense;

(C) are intended for use as reserve stocks for Israel; and

(D) as of the date of enactment of this Act, are located in a stockpile in Israel.

(b) The value of concessions negotiated pursuant to subsection (a) shall be at least equal to the fair market value of the items transferred. The concessions may include cash compensation, services, waiver of charges otherwise payable by the United States, and other items of value.

(c) Not later than 30 days before making a transfer under the authority of this section, the President shall transmit a notification of the proposed transfer to the Committees on Foreign Relations and Armed Services of the Senate and the Committees on International Relations and Armed Services of the House of Representatives. The notification shall identify the items to be transferred and the concessions to be received.

(d) No transfer may be made under the authority of this section more than 2 years after the date of the enactment of this Act.

SEC. 8122. Section 514(b)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended—

(1) in subparagraph (A), by striking ''for fiscal year 2003'' and inserting ''for each of fiscal years 2004 and 2005''; and

(2) in subparagraph (B), by striking ''for fiscal year 2003'' and inserting ''for a fiscal year''.

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**SA 3508.** Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'' and available for Combat Vehicle and Automotive Advanced Technology, up to $5,000,000 may be available for All Composite Military Vehicles.

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**SA 3509.** Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'' and available for End Item Industrial Preparedness Activities, up to $3,500,000 may be available for Laser Peening for Army helicopters.

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**SA 3510.** Mr. ROBERTS (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in the bill, insert the following:

SEC. ____. Of the amount appropriated or otherwise made available by title _____ of this Act under the heading ''Research, Development, Test, and Evaluation, Army, up to $8,000,000 may be available to establish redundant systems to ensure continuity of operations and disaster recovery at the United States Army Intelligence and Security Command's Intelligence Dominance Center.

**SA 3511.** Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title III of this Act under the heading ''PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY'', up to $5,000,000 may be available for procurement of M109-based command-and-control vehicles or field artillery ammunition support vehicles.

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**SA 3512.** Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. It is the sense of the Senate that—

(1) funds appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE'' for chemical and biological defense programs should be made available for the continued development of an end-to-end point of care clinical diagnostic network to combat terrorism; and

(2) such funds should be distributed to partnerships that combine universities and non-profit organizations with industrial partners to ensure the rapid implementation of such clinical diagnostic network for clinical use.

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**SA 3513.** Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amounts appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE'' and available for aerospace propulsion and technology, up to $3,000,000 may be made available for the Versatile, Advanced Affordable Turbine Engine.

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**SA 3514.** Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amounts appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY'' and available for Defense Research Sciences, up to $3,000,000 may be made available for the Program for Intelligence Validation.

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**SA 3515.** Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amounts appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY'' and available for electronic warfare technology, up to $3,000,000 may be made available for the Subterranean Target Identification Program.

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**SA 3516.** Mr. STEVENS (for Ms. MIKULSKI) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a) AVAILABILITY OF AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE, FOR RADAR DEVELOPMENT.—Of The amount appropriated or otherwise made available by title IV of this Act under the heading ''Research, Development, Test, and Evaluation, Air Force'', $7,000,000 may be available for AN/APG–68(V)10 radar development for F–16 aircraft.

(b) CONSTRUCTION OF AMOUNT.—The amount available under subsection (a) for the purpose specified in that subsection is in addition to any other amounts available in this Act for that purpose.

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**SA 3517.** Mr. STEVENS (for Mr. NELSON of Florida) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

In the appropriate place in the bill insert the following:

Of the amount appropriated in title IV under the heading ''OPERATIONAL TEST AND EVALUATION, DEFENSE'' up to $5,000,000 may be made available for the Joint Test and Training Rapid Advanced Capabilities (JTTRAC) Program.''

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**SA 3518.** Mr. STEVENS (for Mr. SHELBY) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ____. (a) Public Law 108–199 is amended in Division F, Title I, section 110(g) by striking ''Of the'' and inserting ''Prior to distributing''; striking ''each'' every time it appears and inserting ''the''; striking ''project'' every time it appears and inserting ''projects''.

(b) The limitation under the heading ''Federal-aid Highways (Limitation on obligations) (Highway Trust Fund)'' in Public Law 108–199 is increased by such sums as may be necessary to ensure that each State receives an amount of obligation authority equal to what each State would have received under section 110(a)(6) of Public Law 108–199 but for the amendment made to section 110(g) of Public Law 108–199 by subsection (a) of this section: *Provided*, That such additional authority shall remain available during fiscal years 2004 and 2005.

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**SA 3519.** Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE'', up to $2,000,000 may be available for Composites for Unmanned Air Vehicles.

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**SA 3520.** Mr. BIDEN (for himself, Mr. LEAHY, Mr. DODD, Mr. CORZINE, Mr. LEVIN, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 118, between lines 4 and 5, insert the following:

TITLE X

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

For an additional amount for ''International Disaster and Famine Assistance'', $188,000,000, to remain available until expended: *Provided*, That funds appropriated by this paragraph shall be available to respond to the humanitarian crisis in the Darfur region of Sudan and in Chad: *Provided further*, That such amount is designated as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress).

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**SA 3521.** Mr. TALENT submitted an amendment intended to be proposed by him to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE'', up to $5,000,000 may be available for X–43C development.

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**SA 3522.** Mr. STEVENS (for Mr. DODD (for himself and Mr. LIEBERMAN)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'', up to $15,000,000 may be available for the Broad Area Unmanned Responsive Resupply Operations aircraft program.

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**SA 3523.** Mr. STEVENS (for Mr. NICKLES) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY'', up to $2,000,000 may be used for Handheld Breath Diagnostics.

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**SA 3524.** Mr. STEVENS (for Ms. LANDRIEU) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY'', up to $1,800,000 may be used for the Joint Logistics Information System program for the automated scheduling tool.

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**SA 3525.** Mr. STEVENS (for Mr. BUNNING) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

At the end of Title VIII, insert the following:

SEC. . Of the amount appropriated in Title IV under the heading ''Research Development, Test and Evaluation, Navy,'' up to $4,000,000 may be used for the Anti-Sniper Infrared Targeting System.

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**SA 3526.** Mr. STEVENS (for Mr. VOINOVICH (for himself and Mr. DEWINE)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'' and available for End Item Industrial Preparedness Activities, up to $3,500,000 may be available for Laser Peening for Army helicopters.

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**SA 3527.** Mr. STEVENS (for Mr. VOINOVICH (for himself and Mr. DEWINE)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE'', up to $2,000,000 may be available for Composites for Unmanned Air Vehicles.

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**SA 3528.** Mr. STEVENS (for Mrs. BOXER) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'', up to $4,500,000 may be available for development of the Suicide Bomber Detection System Using a Portable Electronic Scanning Millimeter Wave Imaging RADAR.

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**SA 3529.** Mr. STEVENS (for Mr. BURNS) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 161 of the Senate report:

''Of the funds available in Research, Development, Test & Evaluation, Navy, up to $3 million may be made available for the 'Mobile On-Scene Sensor Aircraft Intelligence Command, Control and Computer Center.''

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**SA 3530.** Mr. STEVENS (for Mr. BURNS) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 147 of the Senate report:

''Of the funds available in Research, Development, Test & Evaluation, Army, up to $2 million may be made available for 'Care of Battlefield Wounds'.''

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**SA 3531.** Mr. STEVENS (for Mr. ROBERTS) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

At the appropriate place in the bill, insert the following:

SEC. _____ Of the amount appropriated or otherwise made available by title of this Act under the heading ''Research, Development, Test, and Evaluation, Army, up to $3,000,000 may be available to establish redundant systems to ensure continuity of operations and disaster recovery at the United States Army Intelligence and Security Command's Intelligence Dominance Center.

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**SA 3532.** Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amounts appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY'' and available for electronic warfare technology, up to $2,000,000 may be made available for the Subterranean Target Identification Program.

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**SA 3533.** Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amounts appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY'' and available for Defense Research Sciences, up to $2,000,000 may be made available for the Program for Intelligence Validation.

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**SA 3534.** Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. It is the sense of the Senate that—

(1) funds appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE'' for chemical and biological defense programs should be made available for the continued development of an end-to-end point of care clinical diagnostic network to combat terrorism; and

(2) such funds should be distributed to partnerships that combine universities and non-profit organizations with industrial partners to ensure the rapid implementation of such clinical diagnostic network for clinical use.

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**SA 3535.** Mr. STEVENS (for Mr. KYL) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amounts appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE'' and available for aerospace propulsion and technology, up to $3,000,000 may be made available for the Versatile, Advanced Affordable Turbine Engine.

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**SA 3536.** Mr. STEVENS (for Mr. TALENT) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE'', up to $5,000,000 may be available for X–43C development.

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**SA 3537.** Mr. STEVENS (for Mr. PRYOR (for himself, Mrs. DOLE, and Mrs. LINCOLN)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'', up to $5,000,000 may be available for medical equipment and combat casualty care technologies.

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**SA 3538.** Mr. STEVENS (for Mr. SUNUNU) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

At the appropriate time, insert the following:

Of the funds appropriated, up to $2,000,000 may be available for the Advanced Composite Radome Project.

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**SA 3539.** Mr. STEVENS (for Mr. LEVIN) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Notwithstanding any other provision of law, the Secretary of the Air Force may, using funds available to the Air Force, demolish or provide for the demolition of any facilities or other improvements on real property at the former Wurtsmith Air Force Base.

**SA 3540.** Mr. STEVENS (for Mr. CONRAD) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated by title III under the heading ''AIRCRAFT PROCUREMENT, AIR FORCE'', up to $7,000,000 may be available for F–16 Theater Airborne Reconnaissance System upgrades.

**SA 3541.** Mr. STEVENS (for Mr. KOHL (for himself, Mr. REED, Ms. SNOWE, Ms. COLLINS, and Mr. LEVIN)) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. For the purposes of applying sections 204 and 605 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2004 (division B of Public Law 108–199) to matters in title II of such Act under the heading ''NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'' (118 Stat.69), in the account under the heading ''INDUSTRIAL TECHNOLOGY SERVICES'', the Secretary of Commerce shall make all determinations based on the Industrial Technology Services funding level of $218,782,000 for reprogramming and transferring of funds for the Manufacturing Extension Partnership program and may submit such a reprogramming or transfer, as the case may be, to the appropriate committees within 30 days after the date of the enactment of this Act.

**SA 3542.** Mr. STEVENS (for Mr. DEWINE) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. (a)(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on mental health services available to members of the Armed Forces and their dependents.

(2) The report required under paragraph (1) shall include the following:

(A) A comprehensive review of mental health services that are available—

(i) to members of the Armed Forces who are deployed in combat theaters;

(ii) to members of the Armed Forces at any facilities in the United States; and

(iii) to dependents of members of the Armed Forces during and after deployment of members overseas.

(B) Data on the average number of service days since September 11, 2001, on which members of the Armed Forces were absent or excused from duty for mental health reasons.

(C) A description of the current procedures for reducing the negative perceptions among members of the Armed Services that are often associated with mental health counseling.

(D) A description of—

(i) the mental health services available to members of the Armed Forces, including members of the reserve components, and their dependents; and

(ii) the barriers to access to such services.

(E) An analysis of the extent to which the Secretary of the Army has implemented the recommendations on mental health services that were made by the Mental Health Advisory Team of the Army on March 25, 2004.

(F) A plan for actions that the Secretary determines appropriate for improving the delivery of appropriate mental health services to members of the Armed Forces and their dependents.

(b) Not later than 360 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that describes—

(1) the actions taken to implement the plan submitted under subsection (a)(2)(F); and

(2) the reasons why actions in the plan have not been completed, if any.

**SA 3543.** Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated or otherwise made available by title IV of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY'', up to $5,000,000 may be available for support of the TIGER pathogen detection system.

**SA 3544.** Mr. INOUYE (for Mr. DORGAN) proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

At the appropriate place, insert the following:

**SEC. ___. FUNDING FOR NORTH DAKOTA STATE SCHOOL OF SCIENCE, BISMARCK STATE COLLEGE, AND MINOT STATE UNIVERSITY.**

(a) RESCISSION.—There is rescinded an amount equal to $795,280 from the amount appropriated to carry out part B of title VII of the Higher Education Act of 1965, in title III of division E of the Consolidated Appropriations Act, 2004 (Public Law 108–199; 118 Stat. 3). This amount shall reduce the funds available for the projects specified in the statement of the managers on the Conference Report 108–401 accompanying the Consolidated Appropriations Act, 2004 (Public Law 108–199; 118 Stat. 3).

(b) DISREGARD AMOUNT.—In the statement of the managers on the Conference Report 108–401 accompanying the Consolidated Appropriations Act, 2004 (Public Law 108–199; 118 Stat. 3), in the matter in title III of division E, relating to the Fund for the Improvement of Postsecondary Education under the heading ''Higher Education'', the provision specifying $800,000 for Wahpeton State School of Science and North Dakota State University to recruit, retain and train pharmacy technicians shall be disregarded.

(c) APPROPRIATION.—There is appropriated an amount equal to $795,280 to the Department of Labor, Employment and Training Administration for ''Training and Employment Services,'' available for obligation for the period from July 1, 2004, through June 30, 2005, of which—

(1) $200,000 shall be made available to the North Dakota State School of Science to recruit, retain, and train pharmacy technicians;

(2) $297,640 shall be made available to Bismarck State College for training and education related to its electric power plant technologies curriculum; and

(3) $297,640 shall be made available for Minot State University for the Job Corps Fellowship Training Program.

**SA 3545.** Mr. INOUYE proposed an amendment to the bill H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes; as follows:

On page 112, between lines 13 and 14, insert the following:

SEC. 8121. Of the amount appropriated by title IV under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY'', up to $2,500,000 may be used for small business development and transition.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on June 24, 2004, at 10 a.m., in open session to consider the nomination of General George W. Casey, Jr., USA, for reappointment to the grade of general and to be Commander, Multi-National Force—Iraq.

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

COMMITTEE ON ARMED SERVICES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on June 24, 2004, at 3 p.m., in closed session to receive a briefing regarding ICRC reports on U.S. Military Detainee Operations.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 24, 2004, at 2:30 p.m., to hold a hearing on Venezuela.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing entitled ''Reauthorization of the Carl D. Perkins Vocational and Technical Education Act: Education for the 21st Century Workforce'' during the session of the Senate on Thursday, June 24, 2004, at 10 a.m., in SD–430.

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

COMMITTEE ON THE JUDICIARY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized

to meet to conduct a markup on Thursday, June 24, 2004, at 9:30 a.m. in Dirksen Senate Building Room 226.

Tentative Agenda

*I. Nominations*

Claude A. Allen to be U.S. Circuit Judge for the Fourth Circuit and Michael H. Watson to be U.S. District Judge for the Southern District of Ohio

*II. Legislation*

S. 1735, Gang Prevention and Effective Deterrence Act of 2003 [Hatch, Feinstein, Grassley, Graham, Chambliss, Cornyn, Schumer, Biden];

S. 1635, L–1 Visa, Intracompany Transferee, Reform Act of 2003 [Chambliss];

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 Act of 2003 [Hatch, Feinstein, Craig, Sessions, DeWine, Grassley, Graham, Cornyn, Chambliss, Specter, Kyl];

S. 1700, Advancing Justice through DNA Technology Act of 2003 [Hatch, Biden, Specter, Leahy, DeWine, Feinstein, Kennedy, Schumer, Durbin, Kohl, Edwards]; and

S. 2396, Federal Courts Improvement Act of 2004 [Hatch, Leahy, Chambliss, Durbin, Schumer]

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

SUBCOMMITTEE ON AVIATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Aviation be authorized to meet on Thursday, June 24, 2004, at 9:30 a.m., on Security Screening Options for Airports.

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

SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Forestry, Conservation and Rural Revitalization of the Committee on Agriculture, Nutrition, and Forestry be authorized to conduct a hearing during the session of the Senate on Thursday, June 24, 2004. The purpose of this meeting will be to review the implementation of the Healthy Forests Restoration Act.

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

SUBCOMMITTEE ON NATIONAL PARKS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on National Parks of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, June 24, 2004, at 2:30 p.m. The purpose of the hearing is to receive testimony on S. 2543, to establish a program and criteria for national heritage areas in the United States, and for other purposes.

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

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space be authorized to meet on Thursday, June 24, 2004, at 2:30 p.m., on H.R. 2608—National Earthquake Hazards Reduction Program Reauthorization Act of 2003.

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

## PRIVILEGES OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that Steven Wackowski, an intern with the Defense Appropriations Subcommittee, Pete McAleer, a Defense fellow in Senator GREGG's office, and Brian Glackin, a Defense fellow in Senator COCHRAN's office, be granted privileges of the floor during the consideration of the fiscal year 2005 Defense appropriations bill.

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

Mr. REID. Mr. President, I ask unanimous consent that Paul Thanos, a legislative fellow in the offices of MARIA CANTWELL, be granted the privileges of the floor during consideration of the Defense appropriations bill.

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

Mr. MCCONNELL. Mr. President, I ask unanimous consent that Reb Brownell, a detailee on the Foreign Operations Subcommittee, be granted the privilege of the floor throughout the Senate's consideration and voting on the resolution renewing sanctions against Burma.

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

## MEASURE READ THE FIRST TIME—H.R. 218

Mr. FRIST. Mr. President, I understand that H.R. 218 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 218) to amend title 18 United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns.

Mr. FRIST. I now ask for its second reading in order to place the bill on the calendar under the provisions of rule XIV and object to further proceedings on this matter.

The PRESIDING OFFICER. Objection is heard.

The bill will be read a second time on the next legislative day.

## ESTABLISHING A DEMOCRACY CAUCUS WITHIN THE U.N.

Mr. FRIST. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Con. Res. 83, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 83) promoting the establishment of a democracy caucus within the United Nations.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BIDEN. Mr. President, I thank my colleagues for their support of S. Con. Res. 83, a resolution that I introduced in support of the establishment of a Democracy Caucus within the United Nations. In particular, I thank Senators LUGAR, HAGEL, LIEBERMAN, and COLEMAN for their co-sponsorship of this resolution. I also want to thank Chairman LUGAR for permitting the resolution to come to the floor today.

I am pleased that the Bush administration also supports the establishment of a U.N. Democracy Caucus, and that significant progress was made on this front in Geneva at this year's Commission on Human Rights. In particular, Peru, Romania, East Timor, Poland, Chile, South Korea, India and Italy have been very engaged in collaborative democracy-promotion initiatives. I am encouraged by such joint efforts. The broader the international support for a caucus, the more effective it will be.

The establishment of a U.N. Democracy Caucus is not merely a project supported by Congress and the State Department. It is also endorsed by a broad-based coalition of U.S.-based organizations and advocacy groups such as Freedom House, Human Rights Watch, the American Jewish Committee, the American Bar Association and the Council for Community of Democracies. I also thank them for their work and advocacy on this issue.

The idea of establishing a Democracy Caucus within the United Nations makes extraordinary good sense. The basic principal is this: democratic nations share common values, and should work together at the United Nations to promote those values. We will be more effective in doing so.

Working together with like-minded nations in the United Nations and other multilateral organizations is a logical and practical way to conduct foreign policy. We build coalitions in American politics, in legislatures across the land and here in the Congress. Similarly, we should build coalitions of like-minded states in the United Nations, particularly to bolster global democratic principles, advance human rights, and promote international security and stability.

The administration has recently rediscovered the virtues of working in cooperation with other nations at the United Nations. There we are just one nation, though a very powerful one. We only have one vote, whether in the General Assembly or the Security Council. Other democratic states should be natural allies on many

issues; a caucus of democracies will facilitate such cooperation. Forging a coalition of democracies is not merely a statement that nations have shared values; it is a hard-headed diplomatic approach. By joining forces to make common cause, the democracies can be more effective in the U.N. and other world bodies.

The unanimous passage of this resolution demonstrates the strong support of the Senate for the creation of a Democracy Caucus. I hope the Senate's action gives democracy-building efforts in the United Nations an important boost to this idea. I thank my colleagues within and outside the Senate for supporting this resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the preamble be agreed to, the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to this measure be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 83) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 83

Whereas a survey conducted by Freedom House in 2003, entitled ''Freedom in the World'', found that of the 192 governments of nations of the world, 121 (or 63 percent) of such governments have an electoral democracy form of government;

Whereas, the Community of Democracies, an association of democratic nations committed to promoting democratic principles and practices, held its First Ministerial Conference in Warsaw, Poland, in June 2000;

Whereas, in a speech at that Conference, Kofi Annan, the Secretary-General of the United Nations, stated that ''when the United Nations can truly call itself a community of democracies, the [United Nations] Charter's noble ideals of protecting human rights and promoting 'social progress in larger freedoms' will have been brought much closer'', that ''democratically governed states rarely if ever make war on one another'', and that ''in this era of intra-state wars, is the fact that democratic governance—by protecting minorities, encouraging pluralism, and upholding the rule of law—can channel internal dissent peacefully, and thus help avert civil wars'';

Whereas a report by an Independent Task Force cosponsored by the Council on Foreign Relations and Freedom House in 2002, entitled ''Enhancing U.S. Leadership at the United Nations'', concluded that ''the United States is frequently outmaneuvered and outmatched at the [United Nations]'' because the 115 members of the nonaligned movement ''cooperate on substantive and procedural votes, binding the organization's many democratic nations to the objectives and blocking tactics of its remaining tyrannies'';

Whereas, at the First Ministerial Conference of the Community of Democracies, the representatives of the participating governments agreed to ''collaborate on democracy-related issues in existing international and regional institutions, forming coalitions and caucuses to support resolutions and other international activities aimed at the promotion of democratic governance''; and

Whereas that agreement was reaffirmed at the Second Ministerial Conference of the Community of Democracies in Seoul, Korea, in November 2002: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),*

**SECTION 1. PROMOTION OF A DEMOCRACY CAUCUS WITHIN THE UNITED NATIONS.**

Congress urges the President to instruct any representative of the United States to a body of the United Nations to use the voice and vote of the United States to seek to establish a democracy caucus within the United Nations as described in this Resolution.

**SEC. 2. PURPOSE OF THE DEMOCRACY CAUCUS.**

The purpose of the democracy caucus referred to in section 1 should be to advance the interests of the United States and other nations that are committed to promoting democratic norms and practices by—

(1) supporting common objectives, including bolstering democracy and democratic principles, advancing human rights, and fighting terrorism in accordance with the rule of law;

(2) forging common positions on matters of concern that are brought before the United Nations or any of the bodies of the United Nations;

(3) working within and across regional lines to promote the positions of the democracy caucus;

(4) encouraging democratic states to assume leadership positions in the bodies of the United Nations; and

(5) advocating that states that permit gross violations of human rights, sponsor terrorist activities, or that are the subject of sanctions imposed by the United Nations Security Council are not elected—

(A) to leadership positions in the United Nations General Assembly; or

(B) to membership or leadership positions in the Commission on Human Rights, the Security Council, or any other body of the United Nations.

**SEC. 3. CRITERIA FOR PARTICIPATION IN THE DEMOCRACY CAUCUS.**

Participation in the democracy caucus referred to in section 1 should be limited to countries that—

(1) are qualified to participate in the Community of Democracies, an association of democratic nations committed to promoting democratic principles and practices; and

(2) have demonstrated a commitment—

(A) to the core democratic principles and practices set out in the Final Warsaw Declaration of the Community of Democracies, adopted at Warsaw June 27, 2000; and

(B) to the democratic principles set forth in—

(i) the United Nations Charter;

(ii) the Universal Declaration of Human Rights; and

(iii) the International Covenant on Civil and Political Rights.

**SEC. 4. ANNUAL MEETING.**

The members of the democracy caucus referred to in section 1 should hold a ministerial-level meeting at least once each year to coordinate policies and positions of the caucus.

## WESTERN SHOSHONE CLAIMS DISTRIBUTION ACT

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 592, H.R. 884.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 884) to provide for the use and distribution of the funds awarded to the Western Shoshone identifiable group under Indian Claims Commission Docket Numbers 326–A–1, 326–A–3, and 326–K, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 884) was read the third time and passed.

Mr. REID. Mr. President, the legislation just passed has been 30 years in the making. It deals with Shoshone Indians in the State of Nevada. It is a fund that has grown to about $150 million. Thousands of Indians will benefit from this fund.

These people live in such desperate straits, many of them. Large numbers are on welfare. The places they live in are very difficult.

I want everyone who reads this RECORD at some subsequent time to know that every entity that is involved with this legislation will receive thousands of dollars. They should also know that we are ready, willing, and able to meet with each one of them. If they have any problem with their land claims, we will work with them. This does not shut down any of their ability to change in some way, claim anything they had relating to land in the future.

I know the time is late, but I must mention Larry Pifero. He is dead. He was on kidney dialysis and died. But he worked so hard on this legislation. Why? Because he wanted his family to wind up with something. And Larry now should know that his family will wind up with something. The other person is Nancy Stewart. She has spent months and months of her life trying to work this out. There were a few dissidents—for lack of a better way to describe them—people who wanted to do anything they could to upset this settlement. They did things that were wrong, but because 95 percent of the Shoshones in the State of Nevada wanted this approval, we had two votes, and they voted for approval.

This is so important. Thousands of Indians have waited. Some, like Larry Pifero, are gone. They will never receive the benefit of this legislation, only their families will. But the Shoshone Indians of Nevada are better off today than they were yesterday. They have the hope of receiving some economic gain from their dealings with the U.S. Federal Government.

I am so happy this has been done. This is a big day for thousands of Nevada Indians.

Mr. FRIST. Mr. President, I very much appreciate the comments of the distinguished assistant minority leader. For me to be able to hear that is meaningful. It reminds me also that each piece of legislation we go to, we tend to go through quickly, especially

at a late hour, has such a huge impact. It reflects the beauty in what we are able to accomplish by having the privilege of serving in this body.

## AFRICAN GROWTH AND OPPORTUNITY ACT EXTENSION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of H.R. 4103 at the desk.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4103) to extend and modify the trade benefits under the African Growth and Opportunity Act.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 4103) was read the third time and passed.

## RECOGNIZING J. ROBERT OPPENHEIMER

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 531, S. Res. 321.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A bill (S. Res. 321) recognizing the loyal service and outstanding contributions of J. Robert Oppenheimer to the United States and calling on the Secretary of Energy to observe the 100th anniversary of Dr. Oppenheimer's birth with appropriate programs at the Department of Energy and the Los Alamos National Laboratory.

There being no objection, the Senate proceeded to the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, and the motion to reconsider be laid upon the table, that any statements relating to the measure be printed in the RECORD as if read, without any intervening action or debate.

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

The resolution (S. Res. 321) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 321

Whereas from March 1943 to October 1945, J. Robert Oppenheimer was the first director of the Los Alamos Laboratory, New Mexico, which was used to design and build the nuclear weapons that ended the Second World War;

Whereas following the end of the Second World War, Dr. Oppenheimer served as a science adviser and consultant to each of the 3 principal committees planning for the postwar control of nuclear energy, including the Secretary of War's Interim Committee on Atomic Energy, the Secretary of State's Committee on Atomic Energy, and the United Nations Atomic Energy Committee;

Whereas from 1947 to 1952, Dr. Oppenheimer was the first chairman of the General Advisory Committee, which advised the Atomic Energy Commission on scientific and technical matters;

Whereas from 1947 to 1954, Dr. Oppenheimer also served on defense policy committees, including the Committee on Atomic Energy of the Joint Research and Development Board, the Science Advisory Committee of the Office of Defense Mobilization, and the Panel on Disarmament of the Department of State;

Whereas in addition to his service to the United States Government, Dr. Oppenheimer was the director of the Institute for Advanced Study at Princeton University from 1947 to 1965;

Whereas in 1946, President Truman conferred on Dr. Oppenheimer the Medal for Merit ''for exceptionally meritorious conduct in the performance of outstanding service'' as director of the Los Alamos Laboratory and for development of the atomic bomb;

Whereas in 1963, President Lyndon Johnson conferred on Dr. Oppenheimer the Enrico Fermi Award ''for contributions to theoretical physics as a teacher and originator of ideas and for leadership of the Los Alamos Laboratory and the atomic energy program during critical years''; and

Whereas April 22, 2004, is the 100th anniversary of Dr. Oppenheimer's birth: Now, therefore, be it

*Resolved,* That the Senate—

(1) recognizes the loyal service of J. Robert Oppenheimer to the United States and the outstanding contributions he made to theoretical physics, the Los Alamos National Laboratory, the development of nuclear energy, and the common defense and security of the United States; and

(2) calls on the Secretary of Energy to observe the 100th anniversary of the birth of J. Robert Oppenheimer with appropriate ceremonies, activities, or programs at the Department of Energy and the Los Alamos National Laboratory.

## AUTHORIZATION FOR TESTIMONY AND REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 394, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 394) authorizing testimony and representation by Senate legal counsel in United States v. Daniel Bayly, et al.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, this resolution concerns a request for testimony and representation in a criminal case arising out of the Enron debacle. The Enron Task Force of the U.S. Department of Justice has brought a case in Federal court in Texas against six individuals formerly associated with the Enron Corporation and Merrill Lynch. The indictment alleges criminal conspiracy, false statements, obstruction of justice, and perjury relating to transactions involving electrical-generating power barges moored off the coast of Nigeria. The government is alleging that Enron in essence parked assets with Merrill Lynch to enhance fraudulently Enron's financial statements. This case is being tried this summer in Houston.

The transactions at the center of this case were the subject of extensive investigation and a hearing by the Permanent Subcommittee on Investigations of the Committee on Government Affairs during the last Congress. In the course of the subcommittee's investigation, subcommittee staff interviewed a Merrill Lynch executive, Robert S. Furst, who is now one of the defendants on trial, about these transactions.

Last Congress the Senate agreed to Senate Resolution 317, authorizing the Permanent Subcommittee on Investigations to cooperate with requests from law enforcement agencies for access to subcommittee records from its Enron Investigation. In response to requests for information an assistance, pursuant to this authority the Subcommittee has cooperated with inquiries made by the Justice Department's Enron Task Force.

The parties have now asked for authorization for a former subcommittee counsel and a subcommittee detailee who interviewed Mr. Furst to testify, if necessary, at this trial about the information the witness communicated to the Subcommittee at the interview.

The chairman and ranking member of the subcommittee would like to assist in this matter, should it prove necessary. According, this resolution would authorize the former subcommittee attorney and the subcommittee detailed to testify at this trial with representation by the Senate Legal Counsel.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this measure be printed in the RECORD.

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

The resolution (S. Res. 394) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 394

Whereas, by Senate Resolution 317, 107th Congress, the Senate authorized the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to produce records from its investigation into the collapse of Enron Corporation to law enforcement and regulatory officials and agencies;

Whereas, in the case of United States v. Daniel Bayly, et al., Cr. No. H–03–363, pending in the United States District Court for the Southern District of Texas, the parties have requested testimony from Tim Henseler, a former employee of, and Jim Pittrizzi, a detailee to, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of

1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

*Resolved,* That Tim Henseler and Jim Pittrizzi are authorized to testify in the case of United States v. Daniel Bayly, et al., except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Tim Henseler and Jim Pittrizzi in connection with the testimony authorized in section one of this resolution.

## AUTHORIZING TESTIMONY, DOCUMENT PRODUCTION, AND LEGAL REPRESENTATION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 395, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 395) to authorize testimony, document production, and legal representation in Ulysses J. Ward v. Dep't of the Army.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, this resolution concerns a request for testimony, documents, and representation in an administrative proceeding before the Merit Systems Protection Board. The appellant in this administrative action is challenging his termination from employment by the U.S. Army Corps of Engineers for, among other things, transmitting to the office of Senator LAMAR ALEXANDER a written communication threatening to appellant's coworkers. The Corps has requested testimony at a deposition, and, if necessary, at an administrative hearing, of Joshua Thomas, a former employee of Senator ALEXANDER's office who received the communication. Senator ALEXANDER would like Mr. Thomas to be able to provide such testimony and any necessary documents.

The enclosed resolution would authorize Mr. Thomas to testify and produce documents in this matter with representation by the Senate Legal Counsel.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 395) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 395

Whereas, in the case of *Ulysses J. Ward* v. *Dep't of the Army*, No. AT–0752–04–0526–I–1, pending before the Merit Systems Protection Board, testimony and documents have been requested from Joshua Thomas, a former employee of the office of Senator Lamar Alexander;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

*Resolved* that Joshua Thomas is authorized to testify and produce documents in the case of Ulysses J. Ward v. Dep't of the Army, except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Joshua Thomas in connection with the testimony authorized in section one of this resolution.

## 150TH ANNIVERSARY OF THE FOUNDING OF THE PENNSYLVANIA STATE UNIVERSITY

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 396, which was submitted earlier today by Senator SANTORUM.

The PRESIDING OFFICER. The clerk will read the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 396) commemorating the 150th anniversary of the founding of The Pennsylvania State University.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 396) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 396

Whereas in 1854, the Farmers' High School was founded in Centre County, Pennsylvania in response to the State Agricultural Society's interest in establishing an educational institution to bring general education and modern farming methods to the farmers of the Commonwealth of Pennsylvania;

Whereas in 1855, the Farmers' High School was granted a permanent charter by the Pennsylvania General Assembly;

Whereas the Morrill Land-Grant Act of 1862 provided for the distribution of grants of public lands owned by the Federal Government to the States for establishing and maintaining institutions of higher learning;

Whereas in 1863, the Commonwealth accepted a grant of land provided through such Act, establishing one of the first two land-grant institutions in the United States, and designated the Farmers' High School, renamed the Agricultural College of Pennsylvania, as the Commonwealth's sole land-grant institution;

Whereas in 1874, the Agricultural College of Pennsylvania was renamed The Pennsylvania State College and in 1953, such was renamed The Pennsylvania State University;

Whereas with a current enrollment of 83,000, The Pennsylvania State University consists of 11 academic schools, 20 additional campuses located throughout the Commonwealth, the College of Medicine, The Dickinson School of Law, and The Pennsylvania College of Technology;

Whereas 1 in every 8 Pennsylvanians with a college degree, 1 in every 720 Americans, 1 in every 50 engineers, and 1 in every 4 meteorologists are alumni of The Pennsylvania State University;

Whereas formed in 1870, The Pennsylvania State University Alumni Association is the largest dues-paying alumni association in the nation;

Whereas The Pennsylvania State University has the largest outreach effort in United States higher education, delivering programs to learners in 87 countries and all 50 States;

Whereas The Pennsylvania State University consistently ranks in the top 3 universities in terms of SAT scores received from high school seniors;

Whereas The Pennsylvania State University annually hosts the largest student-run philanthropic event in the world, which benefits the Four Diamonds Fund for families with children being treated for cancer;

Whereas the missions of instruction, research, outreach and extension continue to be the focus of The Pennsylvania State University;

Whereas The Pennsylvania State University is renown for the following: the rechargeable heart pacemaker design, the heart-assist pump design, 4 astronauts to have flown in space including the first African-American, and the first institution to offer an Agriculture degree; and

Whereas The Pennsylvania State University is one of the most highly regarded research universities in the nation, with an outreach extension program that reaches nearly 1 out of 2 Pennsylvanians a year and an undergraduate school of immense scope and popularity: Now, therefore, be it

*Resolved,* That the Senate commemorates the 150th anniversary of the founding of The Pennsylvania State University and congratulates its faculty, staff, students, alumni, and friends on the occasion.

## EXPRESSING SENSE OF THE SENATE ON THE TRANSITION OF IRAQ

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate

proceed to the immediate consideration of S. Res. 397, which was submitted earlier today by Senators FRIST and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 397) expressing the sense of the Senate on the transition of Iraq to a constitutionally elected government.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

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

The resolution (S. Res. 397) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 397

Whereas June 30, 2004, marks Iraq's assumption of sovereignty and the beginning of the transition of Iraq to a free and constitutionally elected government, which is to be established by December 31, 2005;

Whereas the Senate congratulates the Iraqi people, expresses its appreciation to the Iraqi Interim Government, and reaffirms the United States desire for the people of Iraq to live in peace and freedom;

Whereas the successful transition of Iraq to a constitutionally elected government requires that Iraq develop the capacity to provide security to its citizens, defend its borders, deliver essential services, create a transparent and credible political process, and set the conditions for economic prosperity;

Whereas the people of Iraq have a long tradition of cultural and technological achievement and a talented and dedicated population;

Whereas the United States desires peace and prosperity for the citizens of Iraq;

Whereas more than three decades of dictatorial rule have deprived the people of Iraq of the benefits of that tradition and history, caused extraordinary personal suffering, and robbed the people of Iraq of the opportunity to reach their full potential;

Whereas establishing security is a prerequisite to the successful transition to democracy and reconstruction of Iraq;

Whereas providing security to the people of Iraq will require a well-trained and well-equipped police force, a professional military accountable to civilian leadership, the disbanding of militias, and a fair and efficient judicial system;

Whereas the current program to train and equip Iraq security services could benefit from better vetting of candidates, expanded training time, follow-on field training with experienced police and military professionals, and the accelerated provision of equipment and resources;

Whereas the administration of the institutions of government and the delivery of essential services in Iraq will require technical expertise and training not yet fully developed in Iraq;

Whereas Iraq faces a shortage of essential services, including sanitation, safe water, and a reliable supply of electricity;

Whereas economic prosperity in Iraq will require viable financial institutions, conditions that encourage private investment, and the significant reduction of foreign debt incurred by the regime of Saddam Hussein;

Whereas the people of Iraq were the victims of three decades of economic mismanagement under the regime of Saddam Hussein, and have inherited $120,000,000,000 in debt incurred by that regime;

Whereas Prime Minister Allawi has requested assistance from the international community to aid in the rebuilding and security of Iraq, including assistance from the neighbors of Iraq to improve intelligence-sharing and to tighten controls of the borders with Iraq in order to prevent the infiltration of terrorists and illicit goods, and assistance from the North Atlantic Treaty Organization (NATO) to train and equip Iraqi Security Forces;

Whereas the international community, through a unanimous vote of the United Nations Security Council in Resolution 1546 (2004), called on United Nations member states and international and regional organizations to contribute to a multinational force in Iraq and a dedicated force to provide security for the United Nations presence in Iraq, to help Iraq build the capability of its security forces and governing institutions, to aid in rebuilding the capacity for governance in Iraq, and to commit additional resources to reconstruct and develop the economy of Iraq;

Whereas since the adoption of United Nations Security Council Resolution 1546, some members of the international community who have long expressed concern for the plight of the people of Iraq, and who voted for the adoption of the Resolution in the Security Council, have failed to respond to the urgent needs of the people of Iraq;

Whereas improved security in Iraq and the increased capacity of the people of Iraq to provide essential services will reduce the burdens on United States military personnel in the region;

Whereas the United States supports the determination of the Iraqi Interim Government to defeat the loyalists to Saddam Hussein, radical militias, common criminals, and terrorists who make up the insurgency in Iraq;

Whereas the United States is committed to assisting Iraq in reasserting its full sovereignty, consistent with United Nations Security Council Resolution 1546;

Whereas the Senate acknowledges the efforts and sacrifices of the Armed Forces, other employees of the United States Government, contractors, and their counterparts in the coalition to promote Iraq's security, recovery, and transition; and

Whereas the United States and other members of the international community have a profound stake in the success of the transition of Iraq to a constitutionally elected government: Now, therefore, be it

*Resolved,* That it is the sense of the Senate that—

(1) the members of the Armed Forces and their families have performed courageously and nobly and have earned the deep gratitude of the people of the United States;

(2) success in Iraq is a global priority and therefore demands cooperation from all states and international organizations;

(3) states and international organizations should fulfill their commitments to contribute what resources and skills they can to the establishment and security of an independent Iraq with a constitutionally elected government;

(4) states and international organizations should fulfill the financial commitments they have already made to the reconstruction of Iraq;

(5) the international community should establish, to the highest standards, additional police training academies inside and outside of Iraq, contribute additional trainers to those academies, and dedicate experienced police to train Iraq police officers in the field;

(6) the North Atlantic Treaty Organization (NATO) is uniquely qualified to respond to the call for assistance in United Nations Security Council Resolution 1546 (2004) to meet the needs of the people of Iraq for security and stability, including by assisting in training the Iraq military, providing security for elections in Iraq, and helping secure the borders of Iraq and should, therefore, respond positively to the request of Interim Iraqi Prime Minister Allawi to provide training, equipment, and other forms of technical assistance that his government determines is appropriate to help Iraq's security forces defeat terrorism and reduce Iraq's reliance on foreign forces;

(7) in order to ensure that the United Nations can play the leading role called for by United Nations Security Council Resolution 1546, member states should contribute additional military and security forces, and other resources as appropriate, to provide security for a United Nations presence in Iraq;

(8) countries unable to contribute security personnel to help stabilize Iraq should contribute to the transition of Iraq in other ways, including by providing technical experts, civil engineers, municipal management advisers, and to fill other needs requested by the Iraqi government;

(9) countries holding debt incurred under the Saddam Hussein regime should meaningfully reduce amounts of that debt;

(10) the United States is committed to a free and peaceful Iraq; and

(11) it is appropriate to thank coalition partners and other countries that have helped promote security, stability, reconstruction, and democracy in Iraq.

Mr. FRIST. Mr. President, I do want to make a very brief statement on this resolution submitted by Senator DASCHLE and myself expressing the sense of the Senate on the transition of Iraq to a constitutionally elected government.

This resolution does a number of things. I will mention a couple. First, it congratulates Iraq on its transition to a free and constitutionally elected government. All of this is in reference to Iraq's assumption of full sovereignty on June 30, which will occur while we are on recess, and its transition to democracy in the months ahead.

Secondly, it expresses the Senate's appreciation for the service, courage, and commitment of the Iraqi interim government to a free and a democratic Iraq. It commends all members of the U.S. Armed Forces and their families for their noble and courageous service in this cause. It affirms that success in Iraq is a global priority that demands cooperation from all States and international organizations. It calls on the international community to assist Iraq in the training of police and security forces. It calls on NATO to respond positively to Iraqi Prime Minister Allawi's request of NATO to assist Iraq in the training and equipping of Iraq security forces. It urges countries that cannot provide security forces or similar resources to assist Iraq in other ways such as providing financial assistance or forgiving Iraq's debt.

The resolution thanks the U.S. coalition partners and other countries that

have joined us in Iraq for their efforts in promoting Iraq's security, stability, reconstruction, and transition to democracy.

In particular, I also thank Senator SESSIONS for originating the idea of this resolution and for turning it into real language for his colleagues to consider. He initially proposed such a resolution that provided certain language. At that time, he was working in a bipartisan manner with Senator LIEBERMAN and other Members of both sides of the aisle on this bipartisan resolution. He later joined with Senators LINDSEY GRAHAM, JOE BIDEN, TOM DASCHLE, and myself—most of us have actually been in Iraq recently—to hammer out a resolution that not only celebrates the liberation of Iraq and its transition to full sovereignty but also prescribes a number of steps that should be taken in the coming months to ensure those fruits of our efforts are realized.

I thank Senator DASCHLE and his colleagues for their help in fine-tuning this resolution so the entire Senate can endorse it. It is a good resolution. The importance of its passage I do not think can be underscored given the fact we are about a week before Iraq's transition to full sovereignty. It sends a timely message, the right message, of thanks to our coalition partners and our support to the Iraqi interim government and the Iraqi people who are endeavoring to defeat terrorism and secure the blessings of democracy.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. If the distinguished majority leader will yield, following the meeting with the President this morning, which I had the good fortune of being able to attend, the one message that came out of the meeting to me is that the hero today in Iraq is the Prime Minister of Iraq. He is a man of great courage who has had a number of assassination attempts on his life, even when he did not live in Iraq, because of the people who were trying to get rid of him, and I wish him well. He is a man of courage. To take on this responsibility knowing that the evil forces that are in that country are out to dispense with him says a lot about the kind of man he is.

Speaking personally of the meeting at the White House this morning, I repeat the one thing that came out of that meeting today is the forceful nature of the man who is leading that country as of next Wednesday.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. I will just add to the comments of my friend from Nevada that I had the opportunity to meet with the Prime Minister a little over 2 weeks ago when we were in Baghdad.

I know Senator DASCHLE and Senator BIDEN and Senator GRAHAM also had the opportunity to meet with the Prime Minister on their recent trip. I mention that because 4 weeks ago nobody knew that he was going to be Prime Minister. In fact, he didn't know. It was not a position that he had asked for. The interim government, through this selection process, asked him to step forward, and he did just that. Uniformly, the people who met him and who have talked with him since he has assumed this position have been impressed with his courage, his determination, and his understanding of the role that is before him.

I should also add the distinguished assistant Democratic leader and I had the opportunity to meet with the President of Iraq who will be working with the Prime Minister. He, too, is very impressive in terms of his leadership and his vision, and the boldness we know is going to be required.

## GAO HUMAN CAPITAL REFORM ACT OF 2004

Mr. FRIST. Mr. President, I ask unanimous consent that the Government Affairs Committee be discharged from further consideration of H.R. 2751, and the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill ( H.R. 2751) to provide new human capital flexibilities with respect to the GAO, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. I ask unanimous consent the bill be read a third time and passed, the motion to reconsider be laid on the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 2751) was read the third time and passed.

## EMPLOYEES OF THE DISTRICT OF COLUMBIA COURTS AS PARTICIPANTS IN LONG TERM CARE INSURANCE FOR FEDERAL EMPLOYEES.

Mr. FRIST. I ask unanimous consent the Senate now proceed to immediate consideration of Calendar No. 590, S. 2322.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2322) to amend chapter 90 of title 5, United States Code, to include employees of the District of Columbia courts as participants in long term care insurance for Federal employees.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. I ask unanimous consent the bill be read a third time and passed, the motion to reconsider be laid on the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (S. 2322) was read the third time and passed, as follows:

S. 2322

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

**SECTION 1. LONG TERM CARE INSURANCE COVERAGE FOR EMPLOYEES OF THE DISTRICT OF COLUMBIA COURTS.**

Section 9001(1) of title 5, United States Code, is amended—

(1) in subparagraph (C), by striking ''and'';

(2) in subparagraph (D), by striking the period and inserting a semicolon and ''and''; and

(3) by adding at the end the following:

''(E) an employee of the District of Columbia courts.''.

## APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 105–277, Section 710, 2(A)(ii), appoints the following individual to serve as a member of the Parents Advisory Council on Youth Drug Abuse: Laurens Tullock of Tennessee.

## ADJOURNMENT OF THE HOUSE AND SENATE

Mr. FRIST. I ask unanimous consent that the Senate now proceed to the consideration of S. Con. Res. 120, the adjournment resolution, which is at the desk.

I further ask unanimous consent the concurrent resolution be agreed to and the motion to reconsider be laid on the table.

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

The concurrent resolution (S. Con. Res. 120) was agreed to, as follows:

S. CON. RES. 120

*Resolved by the Senate (the House of Representatives concurring)*, That when the Senate recesses or adjourns on any day from Thursday, June 24, 2004, through Monday, June 28, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Tuesday, July 6, 2004, or at such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, June 24, 2004, or Friday, June 25, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2:00 p.m. on Tuesday, July 6, 2004, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, or their respective designees, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble at such place and time as they may designate whenever, in their opinion, the public interest shall warrant it.

## UNANIMOUS CONSENT AGREEMENT—H.R. 4200, S. 2400, S.2401, S. 2402, S. 2403

Mr. FRIST. Mr. President, with respect to H.R. 4200, which passed the

Senate last night, I ask unanimous consent that the Senate insist on its amendment and request a conference with the House of Representatives on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on the part of the Senate.

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

Mr. FRIST. I further ask unanimous consent with respect to 2400, S. 2401, S. 2402 and S. 2403, as just passed by the Senate, that if the Senate receives a message with respect to any of these bills from the House of Representatives, the Senate disagree with the House and its amendment or amendments to the Senate-passed bill and agree to or request a conference with the House of Representatives on the disagreeing votes of the two Houses, that the Chair be authorized to appoint conferees, and that the foregoing occur without any intervening action or debate.

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

## EXECUTIVE SESSION

## EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent the Senate immediately proceed to executive session to consider all nominations reported out by the Armed Services Committee today. I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid on the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

NOMINATIONS

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

Lt. Gen. Paul V. Hester

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Henry A. Obering, III

The following named United States Air Force Reserve officer for appointment as Chief of Air Force Reserve, and for appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., sections 8038 and 601:

*To be lieutenant general*

Maj. Gen. John A. Bradley

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Jeffrey B. Kohler

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. John F. Regni

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Michael W. Wooley

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Norton A. Schwartz

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

*To be major general*

Brig. Gen. Charles B. Green

The following named officers for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

*To be brigadier general*

Col. Melissa A. Rank
Col. Thomas W. Travis

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

Lt. Gen. Richard A. Cody

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

George W. Casey, Jr.

The following named officer for appointment as the Chief of Engineers/Commanding General, United States Army Corps of Engineers, and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 3036:

*To be lieutenant general*

Maj. Gen. Carl A. Strock

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Colby M. Broadwater, III

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Joseph R. Inge

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Russel L. Honore

The following named officer for appointment as the Chief, Army Nurse Corps and for appointment to the grade indicated under title 10, U.S.C., section 3069:

*To be major general*

Col. Gale S. Pollock

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

*To be major general*

Brig. Gen. George W. Weightman

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

*To be major general*

Brig. Gen. William E. Ingram, Jr.

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grades indicated under title 10, U.S.C., section 12203:

*To be brigadier general*

Colonel James G. Champion

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

*To be brigadier general*

Col. Frank R. Carlini

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

*To be brigadier general*

Col. Carla G. Hawley-Bowland

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

*To be brigadier general*

Col. Douglas A. Pritt

The following named officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

*To be brigadier general*

Col. Thomas T. Galkowski

IN THE MARINE CORPS

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Henry P. Osman

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. James T. Conway

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. John F. Sattler

The following named officers for appointment in the United States Marine Corps to the grade indicated under title 10, U.S.C., section 624:

*To be major general*

Brig. Gen. Robert C. Dickerson, Jr.
Brig. Gen. Richard S. Kramlich
Brig. Gen. Richard F. Natonski

Brig. Gen. Samuel T. Helland
Brig. Gen. Timothy F. Ghormley

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be admiral*

Adm. Michael G. Mullen

The following named officer for appointment as Chief of the Bureau of Medicine and Surgery and Surgeon General and for appointment to the grade indicated under title 10, U.S.C., sections 601 and 5137:

*To be vice admiral*

Rear Adm. Donald C. Arthur, Jr.

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. Justin D. McCarthy

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. Jonathan W. Greenert

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. Kevin J. Cosgriff

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. James M. Zortman

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. James G. Stavridis

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. John G. Morgan, Jr.

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C. section 601:

*To be vice admiral*

Rear Adm. Ronald A. Route

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*To be rear admiral*

Rear Adm. (''l''h) John M. Mateczun
Rear Adm. (''l''h) Dennis D. Woofter

The following named officers for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral*

Rear Adm. (''l''h) William V. Alford, Jr.
Rear Adm. (''l''h) James E. Beebe
Rear Adm. (''l''h) Stephen S. Oswald

The following named officer for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral*

Rear Adm. (''l''h) Paul V. Shebalin

The following named officer for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral*

Rear Adm. (lh) Thomas L. Andrews, III

The following named officers for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral*

Rear Adm. (lh) Lewis S. Libby, III
Rear Adm. (lh) Elizabeth M. Morris

The following named officer for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral (lower half)*

Capt. Karen A. Flaherty

The following named officer for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral (lower half)*

Capt. Marshall E. Cusic, Jr.

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*to be rear admiral (lower half)*

Capt. Carol I.B. Turner

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*To be rear admiral (lower half)*

Capt. Thomas R. Cullison

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*To be rear admiral (lower half)*

Capt. Jeffrey A. Wieringa

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*To be rear admiral (lower half)*

Capt. David J. Dorsett

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*To be rear admiral (lower half)*

Capt. Wayne G. Shear, Jr.

The following named officer for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral (lower half)*

Capt. Sharon H. Redpath

The following named officer for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

*To be rear admiral (lower half)*

Capt. James A. Barnett, Jr.
Capt. Jeffrey A. Lemmons
Capt. Robin M. Watters
Capt. Wendi B. Carpenter

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

*To be rear admiral (lower half)*

Capt. Adam M. Robinson, Jr.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE

PN1296 AIR FORCE nominations (438) beginning EDWARD ACEVEDO, and ending SCOTT J. ZOBRIST, which nominations were received by the Senate and appeared in the Congressional Record of February 2, 2004.

PN1297 AIR FORCE nominations (18) beginning MARK L. ALLRED, and ending BARR D. YOUNKER JR., which nominations were received by the Senate and appeared in the Congressional Record of February 2, 2004.

PN1298 AIR FORCE nominations (12) beginning BRENDA R. BULLARD, and ending THOMAS E. YINGST, which nominations were received by the Senate and appeared in the Congressional Record of February 2, 2004.

PN1558 AIR FORCE nomination of Richard B. Goodwin, which was received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1559 AIR FORCE nominations (3) beginning JEFFREY P. BOWSER, and ending GREGORY W. JOHNSON, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1560 AIR FORCE nominations (7) beginning BRADLEY D. BARTELS, and ending WILLIAM L. STALLINGS III, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1561 AIR FORCE nominations (3) beginning CHARLES J. LAW, and ending DAVID A. WEAS, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1605 AIR FORCE nominations (119) beginning LOZANO NOEMI ALGARIN, and ending BARBARA L. WRIGHT, which nominations were received by the Senate and appeared in the Congressional Record of May 10, 2004.

IN THE ARMY

PN1252 ARMY nominations (24) beginning CHRISTIAN F. ACHLEITHNER, and ending RICHARD J. WINDHORN, which nominations were received by the Senate and appeared in the Congressional Record of January 22, 2004.

PN1253 ARMY nominations (91) beginning KEVIN C. ABBOTT, and ending MARK G. ZIEMBA, which nominations were received by the Senate and appeared in the Congressional Record of January 22, 2004.

PN1321 ARMY nominations (17) beginning LARRY P. ADAMSTHOMPSON, and ending TIMOTHY N. WILLOUGHBY, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 2004.

PN1544 ARMY nominations (2) beginning GERALD V. HOWARD, and ending DAVID L. WEBER, which nominations were received by the Senate and appeared in the Congressional Record of April 26, 2004.

PN1545 ARMY nomination of John J. Sebastyn, which was received by the Senate and appeared in the Congressional Record of April 26, 2004.

PN1562 ARMY nomination of Elizabeth J. Barnsdale, which was received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1563 ARMY nominations (2) beginning RAUL GONZALEZ, and ending JAMES F. KING, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1564 ARMY nominations (2) beginning RICHARD J. GALLANT, and ending ERIC R. GLADMAN, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1565 ARMY nomination of Randall W. Cowell, which was received by the Senate

and appeared in the Congressional Record of April 29, 2004.

PN1566 ARMY nomination of James C. Johnson, which was received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1567 ARMY nominations (2) beginning SHANNON D. BECKETT, and ending LEONARD A. CROMER, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1569 ARMY nomination of David P. Ferris, which was received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1606 ARMY nominations (2) beginning DONALD W. MYERS, and ending TERRY W. SWAN, which nominations were received by the Senate and appeared in the Congressional Record of May 10, 2004.

PN1607 ARMY nominations (191) beginning EDWARD L. ALEXSONSHK, and ending EDWARD M. ZOELLER, which nominations were received by the Senate and appeared in the Congressional Record of May 10, 2004.

PN1608 ARMY nomination of Scott R. Scherretz, which was received by the Senate and appeared in the Congressional Record of May 10, 2004.

PN1609 ARMY nomination of Robert F. Setlik, which was received by the Senate and appeared in the Congressional Record of May 10, 2004.

PN1655 ARMY nomination of Paul R. Disney, Jr., which was received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1656 ARMY nomination of Eric R. Rhodes, which as received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1657 ARMY nominations (35) beginning EDWIN E. AHL, and ending MARK A. ZERGER, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1702 ARMY nomination of Robert J. Blok, which was received by the Senate and appeared in the Congressional Record of June 8, 2004.

IN THE MARINE CORPS

PN1568 MARINE CORPS nomination of Scott P. Haney, which was received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1658 MARINE CORPS nomination of Michael J. Colburn, which was received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1703 MARINE CORPS nomination of Michelle A. Rakers, which was received by the Senate and appeared in the Congressional Record of June 8, 2004.

IN THE NAVY

PN1570 NAVY nomination of James K. Colton, which was received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1571 NAVY nominations (2) beginning KEVIN S. LERETTE, and ending KATHLEEN M. LINDENMAYER, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1572 NAVY nominations (5) beginning VICTOR M. BECK, and ending ELIZABETH A. JONES, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1573 NAVY nominations (3) beginning EDMUND F. CATALDO III, and ending GARY S. PETTI, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1574 NAVY nominations (4) beginning ELIZABETH A. CARLOS, and ending PHILIP C. WHEELER, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1575 NAVY nominations (5) beginning PAUL L. ALBIN, and ending MARK E. SVENNINGSEN, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1576 NAVY nominations (5) beginning JOHN L. BARTLEY, and ending JOSEPH A. SCHMIDT, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1577 NAVY nominations (14) beginning RICHARD A COLONNA, and ending TIMOTHY J WERRE, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1578 NAVY nominations (17) beginning JOHN M BURNS, and ending ROGER W TURNER JR, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1579 NAVY nominations (17) beginning DAN D ASHCRAFT, and ending JOHN E VASTARDIS, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1580 NAVY nominations (183) beginning RODMAN P ABBOTT, and ending SAMUEL R YOUNG, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1581 NAVY nominations (59) beginning JAMES S BAILEY, and ending JEFFREY B WILSON, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1582 NAVY nominations (2) beginning RICHARD S MORGAN, and ending TERRY8 L. M. SWINNEY, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 2004.

PN1610 NAVY nomination of Susan C. Farrar, which was received by the Senate and appeared in the Congressional Record of May 10, 2004.

PN1659 NAVY nominations (6) beginning WILLIAM J. ALDERSON, and ending HAROLD E. PITTMAN, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1660 NAVY nominations (14) beginning AARON L BOWMAN, and ending MAUDE E YOUNG, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1661 NAVY nominations (17) beginning THOMAS J BROVARONE, and ending MARK R WHITNEY, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1662 NAVY nominations (245) beginning KENT R AITCHESON, and ending KEVIN S ZUMBAR, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1663 NAVY nominations (19) beginning RICHARD L. ARCHEY, and ending FRED C. SMITH, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1664 NAVY nominations (8) beginning THOMAS H. BOND JR., and ending PAMELA J. WYNFIELD, which nominations were received by the Senate and appeared in the Congressional Record on May 20, 2004.

PN1665 NAVY nominations (5) beginning KENNETH R. CAMPITELLI, and ending TIMOTHY S. MATTHEWS, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1666 NAVY nominations (8) beginning JEFFREY J. BURTCH, and ending JAN E. TIGHE, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1667 NAVY nominations (4) beginning EDWIN J. BURDICK, and ending STEPHEN K. TIBBITTS, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1668 NAVY nominations (6) beginning ANDREW BROWN III, and ending JONATHAN W. WHITE, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1669 NAVY nominations (7) beginning JERRY R. ANDERSON, and ending JAMES E. KNAPP JR., which nominations were received by the Senate and appeared in the Congressional Record of May 20, 2004.

PN1690 NAVY nomination of JOSEPH P. COSTELLO, which was received by the Senate and appeared in the Congressional Record of June 1, 2004.

PN1691 NAVY nominations (9) beginning RALPH W. COREY III, and ending EDWARD S. WHITE, which nominations were received by the Senate and appeared in the Congressional Record of June 1, 2004.

PN1704 NAVY nominations (28) beginning TOBIAS J BACANER, and ending SCOTT W ZACKOWSKI, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1705 NAVY nominations (17) beginning CHARLENE M AULD, and ending SCOTT M SMITH, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1706 NAVY nominations (31) beginning DON C B ALBIA, and ending GREGG W ZIEMKE, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1707 NAVY nominations (21) beginning BRENDA C BAKER, and ending MAUREEN J ZELLER, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1708 NAVY nominations (30) beginning MICHAEL J ARNOLD, and ending DANA S WEINER, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1709 NAVY nominations (19) beginning STEPHEN S BELL, and ending JAMES A WORCESTER, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1710 NAVY nominations (11) beginning WILLIAM D DEVINE, and ending PAUL R WRIGLEY, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1711 NAVY nominations (8) beginning EDWARD L. AUSTIN, and ending DAVID H. WATERMAN, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1712 NAVY nominations (27) beginning CARLA C BLAIR, and ending CYNTHIA M WOMBLE, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1713 NAVY nominations (10) beginning NORA A BURGHARDT, and ending CRAIG J WASHINGTON, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1714 NAVY nominations (21) beginning TERRY S BARRETT, and ending DEAN A WILSON, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1715 NAVY nominations (21) beginning DANELLE M BARRETT, and ending MICHAEL THRALL, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1716 NAVY nominations (11) beginning MICHAEL D BOSLEY, and ending KEVIN D ZIOMEK, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1717 NAVY nominations (40) beginning WILLIAM H ANDERSON, and ending

FRANK D WHITWORTH, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1718 NAVY nominations (31) beginning THOMAS W ARMSTRONG, and ending RICHARD A THIEL JR, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1719 NAVY nominations (12) beginning JOSEPH R BRENNER JR, and ending GREG A ULSES, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1720 NAVY nominations (37) beginning TODD S BOCKWOLDT, and ending FORREST YOUNG, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1721 NAVY nominations (36) beginning STEVEN W ANTLCLIFF, and ending MARK W YATES, which nominations were received by the Senate and appeared in the Congressional Record of June 8, 2004.

PN1728 NAVY nomination of Richard L. Curbello, which was received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1729 NAVY nominations (2) beginning LOUISE E. GIORDANO, and ending ROBERT A. LITTLE, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1730 NAVY nominations (6) beginning JAMES O. CRAVENS, and ending RONALD J. WELLS, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1731 NAVY nominations (10) beginning STEPHEN W BAILEY, and ending GARY F WOERZ, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1732 NAVY nominations (12) beginning JOSEPH J ALBANESE, and ending STEVEN L YOUNG, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1733 NAVY nominations (12) beginning BENJAMIN M ABALOS, and ending GLENN T WARE, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1734 NAVY nominations (19) beginning PATRICK S AGNEW, and ending DOUGLAS R TOOTHMAN, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN135 NAVY nominations (19) beginning MARK J BELTON, and ending ROBERT E TOLIN, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1736 NAVY nominations (24) beginning CIVITA M ALLARD, and ending ANN N TESCHER, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1737 NAVY nominations (25) beginning RICHARD D BAERTLEIN, and ending JEFFREY G WILLIAMS, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2004.

PN1738 NAVY nomination of Carlos Varona, which was received by the Senate and appeared in the Congressional Record of June 14, 2004.

## APPOINTMENT OF CONFEREES—H.R. 4200

The PRESIDING OFFICER. The Chair appoints the following conferees on H.R. 4200: Senators WARNER, MCCAIN, INHOFE, ROBERTS, ALLARD, SESSIONS, COLLINS, ENSIGN, TALENT, CHAMBLISS, GRAHAM of South Carolina, DOLE, CORNYN, LEVIN, KENNEDY, BYRD, LIEBERMAN, REED, AKAKA, NELSON of Florida, NELSON of Nebraska, DAYTON, BAYH, CLINTON, and PRYOR.

## CONGRATULATING CHAIRMAN STEVENS AND SENATOR INOUYE

Mr. FRIST. Mr. President, I again congratulate Chairman STEVENS and Senator INOUYE on completing the first appropriations bill of the year. The record will show, I am sure, the time spent on this bill was one of the fastest, if not the fastest ever, that a Defense Appropriations Committee bill has been considered in the U.S. Senate.

We have to understand that it was only on Tuesday morning of this week that the Subcommittee on Defense reported the bill, and the full committee reported it out that afternoon. Here we are on Thursday night having completed this very important, critical bill.

I am sure this marathon would not have been possible without the excellent cooperation of many Senators and the terrific work of the Defense appropriations staff, under the leadership of Sid Ashworth for the majority and Charlie Houy for the minority.

I am also particularly happy that conferees on this important bill have been appointed and that hopefully shortly after the recess that conference can also be completed in record time so critical funds can be made available to our service men and women around the globe, fighting and standing guard to protect our freedoms and securities.

Also, I thank the chairman and Senator INOUYE for including today critical funding for humanitarian assistance in the Sudan. We simply can not stand by idly as half a million people are uprooted and forced to flee the Darfur region while also suffering unbelievable starvation, hunger, and murder from Sudan, government-backed Arab militias.

The funding we have provided today will go to USAID to assist these refugees but of course a political solution needs to found also for this part of our world.

Again, I thank Chairman STEVENS and Senator INOUYE for their hard work today.

# *Daily Digest*

**HIGHLIGHTS:**

**Senate passed H.R. 4613, Department of Defense Appropriations Act.**

**House Committees ordered reported 13 sundry measures.**

# Senate

## *Chamber Action*

***Routine Proceedings, pages S7403–S7505***

**Measures Introduced:** Thirty-four bills and eight resolutions were introduced, as follows: S. 2572–2605, S. Res. 391–397, and S. Con. Res. 120. **Pages S7434–35**

**Measures Reported:**

Report to accompany S. 2559, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005. (S. Rept. No. 108–284)

H.R. 1572, To designate the United States courthouse located at 100 North Palafox Street in Pensacola, Florida, as the "Winston E. Arnow United States Courthouse".

S. 2385, to designate the United States courthouse at South Federal Place in Santa Fe, New Mexico, as the "Santiago E. Campos United States Courthouse".

S. 2398, to designate the Federal building located at 324 Twenty-Fifth Street in Ogden, Utah, as the James V. Hansen Federal Building. **Page S7432**

**Measures Passed:**

***Department of Defense Appropriations Act:*** By a unanimous vote of 98 yeas (Vote No. 149), Senate passed H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, striking all after the enacting clause and inserting in lieu thereof the text of S. 2559, Senate companion measure, and the bill as amended be considered as original text for the purpose of further amendment, after taking action on the following amendments proposed thereto: **Pages S7357–59, S7366–92**

Adopted:

Stevens (for Baucus) Amendment No. 3490, to set aside an amount for a grant to Rocky Mountain College, Montana, for the purchase of aircraft for support of aviation training. **Pages S7366–67**

Stevens (for Corzine) Amendment No. 3491, to make available, from amounts appropriated for "Research, Development, Test, and Evaluation, Navy", $4,000,000 for Aviation Data Management and Control System, Block II. **Page S7367**

Stevens (for Kennedy) Amendment No. 3492, to make $50,000,000 available under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs. **Page S7367**

Stevens (for Leahy) Amendment No. 3497, to set aside an amount for procurement of aircrew bladder relief (ABRD) kits. **Page S7370**

DeWine Amendment No. 3493, to appropriate funds for the crisis in Darfur and Chad. **Pages S7367, S7370–72**

Stevens (for Warner/Allen) Amendment No. 3498, to increase amounts for certain Navy shipbuilding and conversion programs, projects, and activities; and to provide an offset. **Page S7372**

Stevens (for Roberts) Amendment No. 3499, to make available, from amounts appropriated for "Research, Development, Test, and Evaluation, Air Force", $10,000,000 for the Science, Mathematics, and Research for Transformation (SMART) Pilot Scholarship Program. **Pages S7372–73**

Stevens (for Santorum) Amendment No. 3500, to make available, from amounts appropriated for "Operation and Maintenance, Defense-Wide", $5,000,000 for Department of Defense Education Activity for the upgrading of security at Department of Defense dependents schools. **Page S7373**

Stevens (for Santorum) Amendment No. 3501, to make available from amounts appropriated for "Research, Development, Test, and Evaluation, Army", $3,000,000 for Medical Advanced Technology for the Intravenous Membrane Oxygenator. **Page S7373**

Stevens (for Lott/Cochran) Amendment No. 3503, to express the sense of Congress on the expansion of the Global Hawk Maritime Demonstration Program to include forward deployed forces of the Navy and

the Marine Corps in the United States Central Command area of operations. **Pages S7374–75**

Stevens (for Reed) Amendment No. 3504, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Navy, $3,000,000 to establish the Consortium of Visualization Excellence for Underseas Warfare Modeling and Simulation (COVE). **Page S7375**

Stevens (for Bayh/Lugar) Amendment No. 3505, to make $21,900,000 available for M1A1 Tank transmission maintenance. **Page S7375**

Stevens (for Reed) Amendment No. 3506, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Navy, $2,000,000 to conduct a demonstration of a prototype of the Improved Shipboard Combat Information Center. **Page S7375**

Stevens (for Biden) Amendment No. 3507, to provide certain authorities related to the transfer of defense articles. **Pages S7375–76**

Stevens (for Mikulski/Sarbanes) Amendment No. 3516, to make available, from amounts appropriated for ''Research, Development, Test, and Evaluation, Air Force'', $7,000,000 for AN/APG–68(V)10 radar development for F–16 aircraft. **Page S7376**

Stevens (for Nelson (FL)) Amendment No. 3517, to make available up to $5,000,000 for the Joint Test and Training Rapid Advanced Capabilities (JTTRAC) Program. **Pages S7376–77**

Stevens (for Shelby) Amendment No. 3518, clarifying the availability of highway trust funds. **Page S7377**

By 89 yeas to 9 nays (Vote No. 147), Byrd Amendment No. 3502, to express the sense of the Senate on budgeting and funding of ongoing military operations overseas. **Pages S7373–74, S7377**

Stevens (for Dodd/Lieberman) Amendment No. 3522, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Army, $10,000,000 for the Broad Area Unmanned Responsive Resupply Operations aircraft program. **Page S7379**

Stevens (for Nickles) Amendment No. 3523, to make available from amounts appropriated for ''Research, Development, Test, and Evaluation, Navy'', $2,000,000 for Handheld Breath Diagnostics. **Page S7379**

Stevens (for Landrieu) Amendment No. 3524, to set aside an amount for the Joint Logistics Information System program for the automated scheduling tool. **Page S7379**

Stevens (for Bunning) Amendment No. 3525, to set aside an amount for the Anti-Sniper Infrared Targeting System. **Page S7379**

Stevens (for Voinovich/DeWine) Amendment No. 3526, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Army, $3,500,000 for Laser Peening for Army helicopters. **Page S7379**

Stevens (for Voinovich/DeWine) Amendment No. 3527, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Air Force, $2,000,000 for All Composite Military Vehicles. **Page S7379**

Stevens (for Boxer) Amendment No. 3528, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Defense-wide, $4,500,000 for development of the Suicide Bomber Detection System Using a Portable Electronic Scanning Millimeter-Wave Imaging RADAR. **Pages S7379–80**

Stevens (for Burns) Amendment No. 3529, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Navy, up to $3,000,000 for the Mobile On-Scene Sensor Aircraft Intelligence Command, Control, and Computer Centers. **Page S7380**

Stevens (for Burns) Amendment No. 3530, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Army, up to $2,000,000 for the ''Care of Battlefield Wounds'. **Page S7380**

Stevens (for Roberts) Amendment No. 3531, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Army, $8,000,000 for the United States Army Intelligence and Security Command's Information Dominance Center. **Page S7380**

Stevens (for Kyl) Amendment No. 3532, to specify the availability of amounts for the Subterranean Target Identification Program. **Page S7380**

Stevens (for Kyl) Amendment No. 3533, to specify the availability of amounts for the Program for Intelligence Validation. **Page S7380**

Stevens (for Kyl) Amendment No. 3534, to express the sense of Congress on the continued development of an end-to-end point of care clinical diagnostic network to combat terrorism. **Pages S7380–81**

Stevens (for Kyl) Amendment No. 3535, to specify the availability of amounts for the Versatile, Advanced Affordable Turbine Engine. **Page S7381**

Stevens (for Talent) Amendment No. 3536, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Air Force, $5,000,000 for X–43C development. **Page S7381**

Stevens (for Pryor) Amendment No. 3537, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Defense-Wide, $5,000,000 for medical equipment and combat casualty care technologies. **Page S7381**

Stevens (for Sununu) Amendment No. 3538, to make available up to $2,000,000 for the Advanced Composite Radome Project. **Page S7381**

Stevens (for Levin) Amendment No. 3539, to authorize the demolition of facilities and improvements on certain military installations approved for closure under the defense base closure and realignment process. **Page S7381**

Stevens (for Conrad) Amendment No. 3540, to set aside an amount for F–16 Theater Airborne Reconnaissance System upgrades. **Pages S7381–82**

Stevens (for Kohl/Reed) Amendment No. 3541, to ensure the availability of sufficient fiscal year 2004 funding for the Manufacturing Extension Partnership program of the National Institute of Standards and Technology. **Page S7382**

Stevens (for DeWine) Amendment No. 3542, to require reports on mental health services available to members of the Armed Forces of the United States and their dependents. **Pages S7382–83**

Stevens (for Feinstein) Amendment No. 3543, to make available, from amounts appropriated for Research, Development, Test, and Evaluation, Navy, $5,000,000 for support of the TIGER pathogen detection system. **Page S7383**

Inouye (for Dorgan) Amendment No. 3544, to provide funds for the North Dakota State School of Science, Bismarck State College, and Minot State University. **Page S7383**

Inouye Amendment No. 3545, to set aside an amount for small business development and transition. **Pages S7383–84**

Rejected:

Biden Modified Amendment No. 3520, to appropriate funds for bilateral economic assistance. (By 53 yeas to 45 nays (Vote No. 148), Senate tabled the amendment.) **Pages S7377–79, S7382, S7384**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Stevens, Cochran, Specter, Domenici, Bond, McConnell, Shelby, Gregg, Hutchison, Burns, Inouye, Hollings, Byrd, Leahy, Harkin, Dorgan, Durbin, Reid, and Feinstein. **Page S7392**

***Burma Sanctions:*** By 96 yeas to 1 nay (Vote No. 150), Senate passed H. J. Res. 97, approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, clearing the measure for the President. **Pages S7392–95**

***Middle East Peace Process:*** By 95 yeas to 3 nays (Vote No. 151), Senate agreed to S. Res. 393, expressing the sense of the Senate in support of United States policy for a Middle East peace process. **Pages S7395–97**

***United Nations Democracy Caucus:*** Committee on Foreign Relations was discharged from further consideration of S. Con. Res. 83, promoting the establishment of a democracy caucus within the United Nations, and the resolution was then agreed to. **Pages S7494–95**

***Western Shoshone Claims Distribution Act:*** Senate passed H.R. 884, to provide for the use and distribution of the funds awarded to the Western Shoshone identifiable group under Indian Claims Commission Docket Numbers 326–A–1, 326–A–3, and 326–K, clearing the measure for the President. **Pages S7495–96**

***AGOA Acceleration Act:*** Senate passed H.R. 4103, to extend and modify the trade benefits under the African Growth and Opportunity Act, clearing the measure for the President. **Page S7496**

***Recognizing J. Robert Oppenheimer:*** Senate agreed to S. Res. 321, recognizing the loyal service and outstanding contributions of J. Robert Oppenheimer to the United States and calling on the Secretary of Energy to observe the 100th anniversary of Dr. Oppenheimer's birth with appropriate programs at the Department of Energy and the Los Alamos National Laboratory. **Page S7496**

***Legal Representation Authorization:*** Senate agreed to S. Res. 394, to authorize testimony and representation in the United States v. Daniel Bayly, et al. **Pages S7496–97**

***Legal Representation Authorization:*** Senate agreed to S. Res. 395, to authorize testimony, document production, and legal representation in Ulysses J. Ward v. Dep't of the Army. **Page S7497**

***Commemorating Pennsylvania State University 150th Anniversary:*** Senate agreed to S. Res. 396, commemorating the 150th anniversary of the founding of The Pennsylvania State University. **Page S7497**

***Iraq Transition:*** Senate agreed to S. Res. 397, expressing the sense of the Senate on the transition of Iraq to a constitutionally elected government. **Pages S7497–99**

***GAO Human Capital Reform Act:*** Committee on Governmental Affairs was discharged from further consideration of H.R. 2751, to provide new human capital flexibilities with respect to the GAO, and the bill was then passed, clearing the measure for the President. **Page S7499**

***D.C. Courts Long-Term Care Insurance Participation:*** Senate passed S. 2322, to amend chapter 90 of title 5, United States Code, to include employees of the District of Columbia courts as participants in long term care insurance for Federal employees. **Page S7499**

***Adjournment Resolution:*** Senate agreed to S. Con. Res. 120, providing for a conditional adjournment or recess of the Senate and the House of Representatives. **Page S7499**

**Burma Sanctions—Agreement:** A unanimous-consent agreement was reached providing for the consideration of S. J. Res. 39, approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, that the statutory time limit be yielded back, the resolution be read a third time, and then returned to the Senate calendar. **Page S7392**

**National Defense Authorization Act—Conferees:** A unanimous-consent agreement was reached relative to H.R. 4200, to authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, previously passed by the Senate on Wednesday, June 23, 2004, that the Senate insist on its amendment, request a conference with the House thereon, and the Chair be authorized to appoint the following conferees on the part of the Senate: Senators Warner, McCain, Inhofe, Roberts, Allard, Sessions, Collins, Ensign, Talent, Chambliss, Graham (SC), Dole, Cornyn, Levin, Kennedy, Byrd, Lieberman, Reed, Akaka, Nelson (FL), Nelson (NE), Dayton, Bayh, Clinton, and Pryor. **Page S7503**

Also, a unanimous-consent agreement was reached with respect to further consideration of S. 2400, S. 2401, S. 2402, and S. 2403, Senate companion measures (all passed by the Senate on Wednesday, June 23, 2004); that if the Senate receives a message, with respect to any of these bills, from the House of Representatives, the Senate disagree with the House on its amendment or amendments to the Senate-passed bill and agree to or request a conference, as appropriate, with the House on the disagreeing votes of the two Houses; that the Chair be authorized to appoint conferees on the part of the Senate; and that the foregoing occur without intervening action or debate. **Pages S7499–S7500**

**Appointments:**

***Parents Advisory Council on Youth Drug Abuse:*** The Chair, on behalf of the Majority Leader, pursuant to Public Law 105–277, Section 710, 2(A)(ii), appointed the following individual to serve as a member of the Parents Advisory Council on Youth Drug Abuse: Laurens Tullock, of Tennessee. **Page S7499**

**Messages From the President:** Senate received the following message from the President of the United States:

Transmitting, pursuant to law, the report of the continuation of the national emergency with respect to the Western Balkans; which was referred to the Committee on Banking, Housing, and Urban Affairs. (PM–89) **Pages S7427**

**Nominations Confirmed:** Senate confirmed the following nominations:

By 70 yeas 27 nays (Vote No. Ex. 152), Diane S. Sykes, of Wisconsin, to be United States Circuit Judge for the Seventh Circuit. **Pages S7360–66, S7397**

Dora L. Irizarry, of New York, to be United States District Judge for the Eastern District of New York.

Peter W. Hall, of Vermont, to be United States Circuit Judge for the Second Circuit.

Robert Bryan Harwell, of South Carolina, to be United States District Judge for the District of South Carolina.

George P. Schiavelli, of California, to be United States District Judge for the Central District of California.

William Duane Benton, of Missouri, to be United States Circuit Judge for the Eighth Circuit.

John C. Danforth, of Missouri, to be the Representative of the United States of America to the United Nations, with the rank and status of Ambassador, and the Representative of the United States of America in the Security Council of the United Nations.

John C. Danforth, of Missouri, to be Representative of the United States of America to the Sessions of the General Assembly of the United Nations during his tenure of service as Representative of the United States of America to the United Nations.

10 Air Force nominations in the rank of general.

14 Army nominations in the rank of general.

8 Marine Corps nominations in the rank of general.

31 Navy nominations in the rank of admiral.

Routine lists in the Air Force, Army, Marine Corps, Navy. **Pages S7399–S7401**

**Nominations Received:** Senate received the following nominations:

Kiron Kanina Skinner, of Pennsylvania, to be a Member of the National Security Education Board for a term of four years.

Cathy M. MacFarlane, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

Dennis C. Shea, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

Romolo A. Bernardi, of New York, to be Deputy Secretary of Housing and Urban Development.

Kirk Van Tine, of Virginia, to be Deputy Secretary of Transportation.

Sue Ellen Wooldridge, of Virginia, to be Solicitor of the Department of the Interior.

Charles Johnson, of Utah, to be Chief Financial Officer, Environmental Protection Agency.

Ann R. Klee, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

Adam Marc Lindemann, of New York, to be a Member of the Advisory Board for Cuba Broadcasting for a term expiring October 27, 2005.

Edward Brehm, of Minnesota, to be a Member of the Board of Directors of the African Development Foundation for a term expiring November 13, 2007.

Beverly Allen, of Georgia, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2008.

Gail Daly, of Texas, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2008. (New Position)

Donald Leslie, of Wisconsin, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2006. (New Position)

Amy Owen, of Utah, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2008. (New Position)

Sandra Pickett, of Texas, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2005. (New Position)

Renee Swartz, of New Jersey, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2007. (New Position)

Kim Wang, of California, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2004. (New Position)

Juanita Alicia Vasquez-Gardner, of Texas, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 2009 (Reappointment), to which position she was appointed during the last recess of the Senate.

Deborah Ann Spagnoli, of California, to be a Commissioner of the United States Parole Commission for a term of six years.

1 Army nomination in the rank of general.

A routine list in the Navy. **Pages S7397–99**

**Messages From the House:** **Page S7427**

**Measures Referred:** **Page S7427**

**Measures Read First Time:** **Page S7494**

**Executive Communications:** **Pages S7428–29**

**Petitions and Memorials:** **Pages S7429–32**

**Executive Reports of Committees:** **Pages S7432–34**

**Additional Cosponsors:** **Pages S7435–37**

**Statements on Introduced Bills/Resolutions:** **Pages S7437–87**

**Additional Statements:** **Pages S7424–27**

**Amendments Submitted:** **Pages S7487–93**

**Authority for Committees to Meet:** **Pages S7493–94**

**Privilege of the Floor:** **Page S7494**

**Record Votes:** Six record votes were taken today. (Total—152) **Pages S7377, S7384, S7392, S7395–97**

**Adjournment:** Senate convened at 10:01 a.m., and adjourned at 9:06 p.m., until 9:30 a.m., on Friday, June 25, 2004. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S7397.)

# *Committee Meetings*

*(Committees not listed did not meet)*

## HEALTHY FORESTS RESTORATION ACT

*Committee on Agriculture, Nutrition, and Forestry:* Subcommittee on Forestry, Conservation, and Rural Revitalization concluded a hearing to examine the implementation of the Healthy Forests Restoration Act (P.L. 108–148), after receiving testimony from Mark Rey, Under Secretary of Agriculture for Natural Resources and the Environment; Chad Calvert, Deputy Assistant Secretary of the Interior for Land and Minerals Management; James L. Sledge, Mississippi Forestry Commission, Jackson, on behalf of the National Association of State Foresters; Robert Cope, Lemhi County Board of Commissioners, Salmon, Idaho, on behalf of the National Association of Counties and the Idaho Association of Counties; Carol Daly, Communities Committee of the Seventh American Forest Congress, Columbia Falls, Montana, on behalf of the Society of American Foresters; James R. Crouch, Jim Crouch and Associates, Russellville, Arkansas, on behalf of sundry organizations; Tom Partin, American Forest Resource Council, Portland, Oregon; and James Earl Kennamer, National Wild Turkey Federation, Edgefield, South Carolina.

## AIRLINE DENIAL AUTHORITY

*Committee on Appropriations:* Subcommittee on Transportation, Treasury, and General Government concluded an oversight hearing to examine passenger screening and airline authority to deny plane boarding, after receiving testimony from Jeff Rosen, General Counsel, Department of Transportation; Tom Blank, Assistant Administrator, Office of Transportation Security Policy, Transportation Security Administration, Department of Homeland Security; Michael Smerconish, WPHT–AM, Philadelphia, Pennsylvania; Peggy Sterling, American Airlines, Dallas, Texas; and Christy E. Lopez, Relman and Associates, Washington, D.C.

## BUSINESS MEETING

*Committee on Armed Services:* Committee ordered favorably reported the nomination of General George W. Casey, Jr., USA, for reappointment to the grade of general and to be Commander, Multi-National Force-Iraq, and 2,249 nominations in the Army, Navy, Marine Corps, and Air Force.

Prior to this action, committee concluded hearings on the nomination of General George W. Casey, Jr. (listed above), after the nominee testified and answered questions in his own behalf.

## CRC REPORTS

*Committee on Armed Services:* Committee met in closed session to receive a briefing regarding ICRC Reports on U.S. military detainee operations from officials of the Department of Defense.

## AVIATION SECURITY

*Committee on Commerce, Science, and Transportation:* Subcommittee on Aviation concluded a hearing to examine security screening options for airports, focusing on the status of the private screening pilot (PP5) program and TSA's plans to implement the Federal screening opt-out provisions of the Aviation and Transportation Security Act, after receiving testimony from Thomas Blank, Assistant Administrator for Transportation Security Policy, Transportation Security Administration, Department of Homeland Security; Patrick Pacious, BearingPoint, Inc., McLean, Virginia; Terry Anderson, Tupelo Regional Airport, Tupelo, Mississippi; and Richard A. Atkinson, III, Central West Virginia Regional Airport Authority, Charleston.

## EARTHQUAKE HAZARDS REDUCTION AUTHORIZATION

*Committee on Commerce, Science, and Transportation:* Subcommittee on Science, Technology, and Space concluded a hearing to examine H.R. 2608, to reauthorize the National Earthquake Hazards Reduction Program, after receiving testimony from David Applegate, Senior Science Advisor for Earthquake and Geologic Hazards, U.S. Geological Survey, Department of the Interior; Archibald C. Reid, III, Acting Deputy Director, Mitigation Division, Emergency Preparedness and Response Directorate, Department of Homeland Security; Sivaraj Shyam-Sunder, Acting Deputy Director, Building and Fire Research Laboratory, National Institute of Standards and Technology, Technology Administration, Department of Commerce; and A. Galip Ulsoy, Director, Division of Civil and Mechanical Systems, National Science Foundation.

## NATIONAL HERITAGE PARTNERSHIP ACT

*Committee on Energy and Natural Resources:* Subcommittee on National Parks concluded a hearing to examine S. 2543, to establish a program and criteria for National Heritage Areas in the United States, after receiving testimony from A. Durand Jones, Deputy Director, National Park Service, Department of the Interior; Barry T. Hill, Director, Natural Resources and Environment, General Accounting Office; Daniel M. Rice, Ohio and Erie Canalway Coalition, Akron, Ohio, on behalf of the Advocacy Committee of the Alliance of National Heritage Areas; and Robert J. Smith, Center for Private Conservation, and Craig D. Obey, National Parks Conservation Association, both of Washington, D.C.

## BUSINESS MEETING

*Committee on Finance:* Committee failed to approve the Committee's recommendation, as amended, to the proposed legislation implementing the U.S.-Australia Free Trade Agreement.

## IRAQ

*Committee on Foreign Relations:* on Wednesday, June 23, Committee met in closed session to receive a briefing on the situation in Iraq with regard to the June 30, 2004 transition from Colin L. Powell, Secretary of State.

## BUSINESS MEETING

*Committee on the Judiciary:* Committee ordered favorably reported S. 1735, to increase and enhance law enforcement resources committed to investigation and prosecution of violent gangs, to deter and punish violent gang crime, to protect law abiding citizens and communities from violent criminals, to revise and enhance criminal penalties for violent crimes, to reform and facilitate prosecution of juvenile gang members who commit violent crimes, to expand and improve gang prevention programs, with an amendment in the nature of a substitute.

# House of Representatives

## Chamber Action

**Measures Introduced:** 36 public bills, H.R. 4677–4712; 1 private bill, H.R. 4713; and 5 resolutions, H. Con. Res. 465–467, and H. Res. 695–697, were introduced. **Pages H4926–27, H5070–71**

**Additional Cosponsors:** **Pages H4927–28, H5071–72**

**Reports Filed:** Reports were filed today as follows:

H.R. 3916, to improve circulation of the $1 coin, create a new bullion coin, amended (H. Rept. 108–568); and

H. Res. 694, providing for consideration of H.R. 4614, Energy and Water Development Appropriations Act for fiscal year 2005 (H. Rept. 108–569). **Pages H5069–70**

**Chaplain:** The Prayer was offered today by Rev. Dr. Keith Boone, Pastor, First United Methodist Church in Rockwall, Texas. **Page H4895**

**Revising the Budget Resolution for FY 2005:** The House rejected H. Res. 685, revising the concurrent resolution on the budget for fiscal year 2005 as it applies in the House of Representatives, by a yea and nay vote of 184 yeas to 230 nays, Roll No. 301. **Pages H4908–22**

The measure was considered under a unanimous consent agreement that was reached on Tuesday, June 22.

**Suspension:** The House agreed to suspend the rules and pass the following measure which was debated on Wednesday, June 23:

***Recognizing the 40th Anniversary of Congressional passage of the Civil Rights Act of 1964:*** H. Res. 676, recognizing and honoring the 40th anniversary of congressional passage of the Civil Rights Act of 1964, by a ⅔ yea and nay vote of 414 yeas to 1 nay, Roll No. 304. **Pages H4929–30**

**Child Nutrition and WIC Reauthorization Act of 2004:** The House agreed to take from the Speaker's table and pass S. 2507, to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to reauthorize child nutrition programs—clearing the measure for the President. **Pages H4930–52**

**Resolution Congratulating the Interim Government of Iraq:** The House agreed to H. Res. 691, congratulating the interim government of Iraq on its assumption of full responsibility and authority as a sovereign government, by a yea and nay vote of 352 yeas to 57 nays, Roll No. 319. **Pages H4953–61, H5066–67**

The measure was considered under a unanimous consent agreement reached on Wednesday, June 23.

**Spending Control Act of 2004:** The House failed to pass H.R. 4663, to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, by a recorded vote of 146 ayes to 268 noes, Roll No. 318. **Pages H4898–H4908, H4961–H5066**

Rejected the Stenholm motion to recommit the bill to the Committee on the Budget with instructions to report the bill back to the House forthwith with an amendment, by a recorded vote of 196 ayes to 218 noes, Roll No. 317. **Pages H5064–65**

Agreed by unanimous consent to consider the Young amendment (No. 18 printed in H. Rept. 108–566) out of order and allow it to be subsequently withdrawn. **Page H4997**

Agreed to:

Brady amendment (No. 1 printed in H. Rept. 108–566) that establishes a Federal Sunset Commission to review all federal agencies and programs for their efficiency, effectiveness, redundancy, and need (by a recorded vote of 272 ayes to 140 noes, Roll No. 305); and **Pages H4972–75, H4988**

Kirk amendment (No. 6 printed in H. Rept. 108–566) that requires the Congressional Budget Office to prepare an annual analysis that compares budgeted entitlement spending to actual entitlement spending (by a recorded vote of 289 ayes to 121 noes, Roll No. 310). **Pages H4997–98, H5011–12**

Rejected:

Chocola amendment (No. 2 printed in H. Rept. 108–566) that sought to replace the 20 budget functions with a one-page budget that divides spending into five categories (by a recorded vote of 126 ayes to 290 noes, Roll No. 306); **Pages H4975–78, H4988–89**

Castle amendment (No. 3 printed in H. Rept. 108–566) that sought to eliminate the requirement of providing budget authority and outlays for the functional categories in the budget resolution (by a recorded vote of 185 ayes to 230 noes, Roll No. 307); **Pages H4978–80, H4989–90**

Hensarling amendment (No. 4 printed in H. Rept. 108–566) that sought to impose an entitlement cap whereby the total level of direct spending is limited to inflation and the growth in a given program's beneficiary population (by a recorded vote of 96 ayes to 317 noes, Roll No. 308); **Pages H4980–86, H4990**

Hensarling amendment (No. 5 printed in H. Rept. 108–566) that sought to provide for an automatic continuing resolution in the event that an agreement is not reached on spending levels by the legal deadline (by a recorded vote of 111 ayes to 304 noes, Roll No. 309); **Pages H4986–88, H4990–91**

Ryan of Wisconsin amendment (No. 7 printed in H. Rept. 108–566) that sought to convert the current non-binding budget resolution into a joint budget resolution that if signed by the President would have the force of law (by a recorded vote of 97 ayes to 312 noes, Roll No. 311);

**Pages H4998–H5001, H5012–13**

Ryan of Wisconsin amendment (No. 8 printed in H. Rept. 108–566) that sought to establish Budget Protection Accounts which would allow Congress to target spending during the appropriation and direct spending processes and redirect that spending for deficit reduction at the end of the fiscal year (by a recorded vote of 137 ayes to 272 noes, Roll No. 312); **Pages H5001–03, H5013**

Ryan of Wisconsin amendment (No. 9 printed in H. Rept. 108–566) that sought to initiate enhanced rescission for the President to propose the elimination of wasteful spending identified in appropriations bills (by a recorded vote of 174 ayes to 237 noes, Roll No. 313); **Pages H5003–06, H5013–14**

Spratt amendment in the nature of a substitute (No. 15 printed in H. Rept. 108–566) that restores the original Pay-As-You-Go rules as they were originally established under the 1990 Budget Enforcement Act and extended in 1997 (by a recorded vote of 179 ayes to 233 noes, Roll No. 314);

**Pages H5006–11, H5014–15**

Hensarling amendment in the nature of a substitute (No. 16 printed in H. Rept. 108–566) that sought to make several major changes to the current budget process (by a recorded vote of 88 ayes to 326 noes, Roll No. 315); and **Pages H5015–44, H5062–63**

Kirk amendment in the nature of a substitute (No. 17 printed in H. Rept. 108–566) that sought to make a number of changes to the current budget process (by a recorded vote of 120 ayes to 296 noes, Roll No. 316). **Pages H5044–62, H5063–64**

Withdrawn:

Young of Florida amendment in the nature of a substitute (No. 18 printed in H. Rept. 108–566) that was offered and subsequently withdrawn that sought to require sequestration of mandatory spending in the event that the OMB baseline estimates of mandatory spending exceed previous estimates due to enacted legislation; require baseline estimates to exclude emergency spending; provide an exception for outlay components of certain expiring receipts legislation when making estimates of mandatory spending legislation; change the start date of the fiscal year to November 1; require sunsetting of all Federal programs (except earned entitlements) effective October 1, 2006, unless reauthorized prior to that date; require an adjustment to Appropriations Committee 302(a) allocations to ensure that the transportation guarantees contemplated in TEALU and Vision 100 are fully met; and make technical and conforming changes to the Balanced Budget and Emergency Deficit Control Act of 1985.

**Pages H4991–97**

H. Res. 692, the rule providing for consideration of the bill was agreed to by a recorded vote of 217 ayes to 197 noes, Roll No. 303, after agreeing to order the previous question by a yea and nay vote of 217 yeas to 197 nays, Roll No. 302.

**Pages H4922–23**

**Election Assistance Commission Board of Advisors:** The Chair announced the Speaker's appointment of Mr. J.C. Watts, Jr., of Norman, Oklahoma to serve a two-year term on the Election Assistance Commission Board of Advisors. **Page H5067**

**Presidential Message:** Read a message from the President wherein he notified the Congress of the continuation of the national emergency with respect to the Western Balkans—referred to the Committee on International Relations and ordered printed (H. Doc. 108–196). **Page H4961**

**Senate Message:** Message received from the Senate today appears on page H4895.

**Amendments:** Amendments ordered printed pursuant to the rule appear on pages H4928, H5072.

**Quorum Calls—Votes:** Four yea and nay votes and fifteen recorded votes developed during the proceedings of today and appear on pages H4921–22, H4922–23, H4923, H4929–30, H4988, H4988–89, H4989–90, H4990, H4990–91, H5011–12, H5012–13, H5013, H5013–14, H5014–15, H5062–63, H5063, H5065, H5065–66 and H5066–67. There were no quorum calls.

**Adjournment:** The House met at 10 a.m. and adjourned at 12:23 a.m. on Friday, June 25.

# *Committee Meetings*

## DOD—CONTRACTOR SUPPORT

*Committee on Armed Services:* Subcommittee on Readiness held a hearing on contractor support in the Department of Defense. Testimony was heard from the following officials of the Department of Defense: Michael W. Wynne, Acting Under Secretary, Acquisition, Technology and Logistics; John J. Young, Jr., Assistant Secretary, Research, Development and Acquisition, U.S. Navy; Marvin R. Sambur, Assistant Secretary, Acquisition, U.S. Air Force; and Tina

Ballard, Deputy Assistant Secretary, Policy and Procurement, U.S. Army.

## DOD—SMALL CALIBER AMMUNITION PROGRAMS

*Committee on Armed Services:* Subcommittee on Tactical Air and Land Forces held a hearing on Department of Defense small caliber ammunition programs. Testimony was heard from the following officials of the Department of the Army: MG Buford C. Blount, III, USA, Assistant Deputy Chief of Staff, G–3; BG Paul S. Izzo, USA, Program Executive Officer, Ammunition; and BG James Rafferty, USA, Deputy Commander, Joint Munitions Command; and public witnesses.

## INNOVATIVE HEALTH INSURANCE OPTIONS

*Committee on Education and the Workforce:* Subcommittee on Employer-Employee Relations held a hearing entitled ''Examining Innovative Health Insurance Options for Workers and Employers.'' Testimony was heard from public witnesses.

## MISCELLANEOUS MEASURES

*Committee on Energy and Commerce:* Ordered reported the following bills: H.R. 2929, amended, Safeguard Against Privacy Invasions Act; H.R. 2023, amended, Asthmatic Schoolchildren's Treatment and Health Management Act of 2003; S. 741, Minor Use and Minor Species Animal Health Act of 2004; H.R. 4555, amended, Mammography Quality Standards Reauthorization Act of 2004; H.R. 3981, amended, To reclassify fees paid into the Nuclear Waste Fund as offsetting collections; and H.R. 4600, amended, Junk Fax Prevention Act of 2004.

## HOSPITAL BILLING AND COLLECTION PRACTICES

*Committee on Energy and Commerce:* Subcommittee on Oversight and Investigations held a hearing entitled ''A Review of Hospital Billing and Collection Practices.'' Testimony was heard from the following officials of the Department of Health and Human Services: Herb Kuhn, Director, Center for Medicare Management, Centers for Medicare and Medicaid Services; and Lewis Morris, Chief Counsel, Office of Inspector General; and pubic witnesses.

## OVERSIGHT—PUBLIC ACCOUNTING OVERSIGHT BOARD

*Committee on Financial Services:* Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held an oversight hearing on the Public Company Accounting Oversight Board, Testimony was heard from William J. McDonough, Chairman, Public Company Accounting Oversight Board.

## MISCELLANEOUS MEASURES; TARGET WASHINGTON: COORDINATING HOMELAND SECURITY EFFORTS

*Committee on Government Reform:* Ordered reported the following bills: S. 129, amended, Federal Workforce Flexibility Act of 2003; H.R. 3340, To redesignate the facilities of the United States Postal Service located at 7715 and 7748 S. Cottage Grove Avenue in Chicago, Illinois, as the ''James E. Worsham Post Office'' and the ''James E. Worsham Carrier Annex Building,'' respectively; H.R. 4327, To designate the facility of the United States Postal Service located at 7450 Natural Bridge Road in St. Louis Missouri, as the ''Vitilas 'Veto' Reid Post Office Building;'' and H.R. 4427, To designate the facility of the United States Postal Service located at 73 South Euclid Avenue in Montauk, New York, as the ''Perry B. Duryea, Jr., Post Office.''

The Committee also held a hearing entitled ''Target Washington: Coordinating Federal Homeland Security Efforts with Local Jurisdictions in the National Capital Region. Testimony was heard from Thomas Lockwood, Director, Office of National Capital Region Coordination, Department of Homeland Security; William O. Jenkins, Director, Homeland Security, GAO; George Foresman, Assistant to the Governor for Preparedness, State of Virginia; Dennis Schrader, Director, Office of Homeland Security, State of Maryland; Barbara Childs-Pair, Director, Emergency Management Agency, District of Columbia; and public witnesses.

## LIVING WITH DISABILITIES

*Committee on Government Reform:* Subcommittee on Human Rights and Wellness held a hearing entitled ''Living with Disabilities in the United States: A Snapshot.'' Testimony was heard from Representative Langevin; Troy Justesen, Acting Assistant Secretary, Office of Special Education and Rehabilitation Services, Department of Education; Don Young, Deputy Assistant Secretary, Office of Health Policy, Department of Health and Human Services; and public witnesses.

## MISCELLANEOUS MEASURES

*Committee on International Relations:* Ordered reported the following bills: H.R. 4303, amended, American Schools Abroad Support Act; and H.R. 4654, To reauthorize the Tropical Forest Conservation Act of 1998 through Fiscal Year 2007.

The Committee also favorably considered and adopted a motion urging the chairman to request that the following measures be considered on the Suspension Calendar: H.R. 1587, amended, Viet Nam Human Rights Act of 2003; H.R. 4660, to

amend the Millennium Challenge Act of 2003 to extend the authority to provide assistance to countries seeking to become eligible countries for purposes of that Act; H. Res. 615, amended, Expressing the sense of the House of Representatives in support of full membership of Israel in the Western European and Others GroupS (WEOG) at the United Nations; H. Res. 617, amended, Expressing support for the accession of Israel to the Organization for Economic Co-operation and Development (OCED); H. Res. 652, Urging the Government of the Republic of Belarus to ensure a democratic, transparent, and fair election process for its parliamentary elections in the fall of 2004; H. Res. 667, Expressing support for freedom in Hong Kong; H. Con. Res. 462, Reaffirming unwaivering commitment to the Taiwan Relations Act; H. Con. Res. 304, Expressing the sense of Congress regarding oppression by the Government of the People's Republic of China of Falun Gong in the United States and in China; H. Con. Res. 319, amended, Expressing the grave concern of Congress regarding the continuing repression of the religious freedom and human rights of the Iranian Baha'i community by the Government of Iran; H. Con. Res. 363, amended, Expressing the grave concern of Congress regarding the continuing gross violations of human rights and civil liberties of the Syrian people by the Government of the Syrian Arab Republic; H. Con. Res. 436, amended, Celebrating 10 years of majority rule in the Republic of South Africa and recognizing the momentous social and economic achievements of South Africa since the institution of democracy in that country; H. Con. Res. 415, Urging the Government of Ukraine to ensure a democratic, transparent, and fair election process for the presidential election on October 31, 2004; H. Con. Res. 418, Recognizing the importance in history of the 150th anniversary of the establishment of diplomatic relations between the United States and Japan; H. Con. Res. 422, Concerning the importance of the distribution of food in schools to hungry or malnourished children around the world; and S. 2264, Northern Uganda Crisis Response Act.

## AFRICA—CONFRONTING WAR CRIMES

*Committee on International Relations:* Subcommittee on Africa held a hearing on Confronting War Crimes in Africa. Testimony was heard from Pierre-Richard Prosper, Ambassador-at-Large, Office of War Crimes Issues, Department of State; and public witnesses

## TRAFFICKING IN PERSONS

*Committee on International Relations:* Subcommittee on International Terrorism, Nonproliferation and Human Rights held a hearing on Trafficking in Persons: A Global Review. Testimony was heard from John Miller, Senior Advisor to the Secretary and Director, Office to Monitor and Combat Trafficking in Persons, Department of State; and public witnesses.

## IRANIAN PROLIFERATION

*Committee on International Relations:* Subcommittee on the Middle East and Central Asia held a hearing on Iranian Proliferation: Implications for Terrorists, their State-Sponsors, and U.S. Counter-proliferation Policy, Testimony was heard from John R. Bolton, Under Secretary, Arms Control and International Security Affairs, Department of State; Peter Flory, Principal Deputy Assistant Secretary, International Security Affairs, Department of Defense; and public witnesses.

## OVERSIGHT—ADMINISTRATIVE CONFERENCE

*Committee on the Judiciary:* Subcommittee on Commercial and Administrative Law continued oversight hearings on the Administrative Conference of the United States, II: Why is There a Need to Reauthorize the Conference? Testimony was heard from public witnesses.

## OVERSIGHT—LIMITING FEDERAL COURT JURISDICTION TO PROTECT MARRIAGE FOR THE STATES

*Committee on the Judiciary:* Subcommittee on the Constitution held an oversight hearing entitled ''Limiting Federal Court Jurisdiction to Protect Marriage for the States.'' Testimony was heard from former Representative William E. Dannemeyer, State of California; and public witnesses.

## DC—ADDITIONAL COURT; OVERSIGHT—PATENT QUALITY IMPROVEMENT

*Committee on the Judiciary:* Subcommittee on Courts, the Internet, and Intellectual Property approved for full Committee action H.R. 112, To amend title 28, United States Code, to provide for an additional place of holding court in the District of Columbia.

The Subcommittee also held an oversight hearing entitled ''Patent Quality Improvement: Post-Grant Opposition.'' Testimony was heard from James A. Toupin, General Counsel, Patent and Trademark Office, Department of Commerce; and public witnesses.

## MISCELLANEOUS MEASURES

*Committee on Resources:* Held a hearing on the following bills: H.R. 831, To provide for and approve the settlement of certain land claims of the Bay Mills Indian Community; and H.R. 2793, To provide for and approve the settlement of certain land claims of the Sault Ste. Marie Tribe of Chippewa Indians. Testimony was heard from Representatives Dingell, Rogers of Michigan and Stupak; Aurene

Martin, Deputy Assistant Secretary, Indian Affairs, Department of the Interior; and public witnesses.

## MISCELLANEOUS MEASURES

*Committee on Resources:* Subcommittee on Energy and Mineral Resources held a hearing on the following: H.R. 4010, National Geologic Mapping Reauthorization Act of 2004; and H.R. 4625, To reduce temporarily the royalty required to be paid for sodium produced on Federal lands. Testimony was heard from P. Patrick Leahy, Associate Director, Geology, U.S. Geological Survey, Department of the Interior; and public witnesses.

## AMERICAN AQUACULTURE AND FISHERIES RESOURCES PROTECTION ACT

*Committee on Resources:* Subcommittee on Fisheries Conservation, Wildlife and Oceans held a hearing on H.R. 3320, American Aquaculture and Fisheries Resources Protection Act. Testimony was heard from Representative Ross; John Hogan, Deputy Director, U.S. Fish and Wildlife Service, Department of the Interior; and public witnesses.

## ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2005

*Committee on Rules:* Granted, by voice vote, an open rule providing one hour of general debate on H.R. 4614, Energy and Water Development Appropriations Act, 2005, equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The rule waives all points of order against consideration of the bill. Under the rules of the House the bill shall be read for amendment by paragraph. The rule waives points of order against provisions in the bill for failure to comply with clause 2 of rule XXI (prohibiting unauthorized appropriations or legislative provisions in an appropriations bill), except as specified in the resolution. The rule authorizes the Chair to accord priority in recognition to Members who have pre-printed their amendments in the Congressional Record. Finally, the rule provides one motion to recommit with or without instructions. Testimony was heard from Representatives Hobson, Gibbons, Wilson of New Mexico, Visclosky, Eshoo, and Lofgren.

## NUCLEAR R&D—IDAHO NATIONAL LABORATORY

*Committee on Science:* Subcommittee on Energy held a hearing on Nuclear R&D and the Idaho National Laboratory. Testimony was heard from William D. Magwood, IV, Director, Office of Nuclear Energy, Science and Technology, Department of Energy; and public witnesses.

## VOTING EQUIPMENT—TESTING AND CERTIFICATION

*Committee on Science:* Subcommittee on Environment, Technology and Standards held a hearing on Testing and Certification for Voting Equipment: How Can the Process Be Improved? Testimony was heard from Hratch Szerjian, Acting Director, National Institute of Standards and Technology, Department of Commerce; and public witnesses.

## OVERSIGHT—UPPER MISSISSIPPI AND ILLINOIS RIVERS

*Committee on Transportation and Infrastructure:* Subcommittee on Water Resources and Environment held an oversight hearing on Upper Mississippi and Illinois Rivers—Recommendations for Navigation Improvements and Ecosystem Restoration. Testimony was heard from Representative Gutknecht; MG Carl Strock, USA, Director of Civil Works, Corps of Engineers, Department of the Army; John Jamian, Deputy Administrator, Maritime Administration, Department of Transportation; A. J. Yates, Administrator, Agricultural Marketing Service, USDA; Benjamin N. Tuggle, Chief, Division of Habitat and Resource Conservation; Jerri-Anne Garl, Director, Region 5, EPA; and public witnesses.

## VETERANS LEGISLATION

*Committee on Veterans' Affairs:* Subcommittee on Health held a hearing on the Department of Veterans Affairs Real Property and Facilities Management Improvement Act of 2004. Testimony was heard from Anthony J. Principi, Secretary of Veterans Affairs; representatives of veterans organizations; and public witnesses.

## CUSTOMS AND BORDER SECURITY ACT OF 2004

*Committee on Ways and Means:* Subcommittee on Trade approved for full Committee action, as amended, H.R. 4418, Customs and Border Security Act of 2004.

## INFORMATION SHARING AFTER 9/11

*Select Committee on Homeland Security:* Held a hearing entitled "Information Sharing After September 11: Perspectives on the Future." Testimony was heard from James Gilmore, Chair, Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction; and public witnesses.

## COMMITTEE MEETINGS FOR FRIDAY, JUNE 25, 2004

*(Committee meetings are open unless otherwise indicated)*

### Senate

*Committee on Armed Services:* to hold hearings to examine the transition to sovereignty in Iraq, focusing on U.S. policy, ongoing military operations, and status of U.S. Armed Forces, 9:30 a.m., SD–106.

### House

*Committee on Energy and Commerce,* Subcommittee on Health, hearing entitled ''Implementation of the Food Security Provisions of the Public Health Security and Bioterrorism Preparedness and Response Act,'' 9:30 a.m., 2123 Rayburn.

*Next Meeting of the* SENATE

9:30 a.m., Friday, June 25

Senate Chamber

**Program for Friday:** Senate will be in a period of morning business.

*Next Meeting of the* HOUSE OF REPRESENTATIVES

9 a.m., Friday, June 25

House Chamber

**Program for Friday:** Consideration of H.R. 4614, Energy and Water Development Appropriations Act, 2005 (open rule, one hour of general debate).

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